Daily Report

Latin America

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FBIS-LAT-93-080 *28 April 1993*

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Economic, Monetary Officials Discuss Mercosur

Brazilian Industry Minister on Goals

PY2804003593 Asuncion ABC COLOR in Spanish 24 Apr 93 p 17

[Text] Brazilian Industry and Commerce Minister Jose Eduardo Andrada Vieira said the main objective of Mercosur [Common Market of the South] is to guarantee the member countries' competition with the other blocs in Europe and Asia. He made this comment during a news conference held by the ministers who attended a conference of economic and monetary officials in our country yesterday.

Andrada dded: "We know there will be major problems with some products and that we must find a common tariff policy, but obviously these issues are dealt with in work groups with experts. Great progress is being made to find a solution to current problems, and everything is going along according to our schedule."

He added that the four countries are aware of the major objective of increasing their competitive potential against other more powerful blocs, "because if we do not strengthen our union we will suffer a price drop in our economy. The circumstantial problems that emerged will be appropriately overcome without major problems."

Regarding the situation in his country, Andrade Vieira said Brazil has been suffering recessive monetary policies since the decade of the 80's that have reduced the Brazilian population's purchasing power. He added that the policy has changed since President Itamar Franco took over the government and that Brazilian workers will get their purchasing power back by fighting a little against inflation.

He said: "We are insisting on that policy and although we were not able to reduce inflation, we have prevented it from increasing. We also have regained growth, which started last November thanks to production increases."

He also announced that President Itamar Franco on 24 April will announce an economic plan to speed up curbing inflation, which continues to be high, and that the country cannot run the risk of allowing it to increase because the best way to improve the Brazilian people's standard of living is by reducing inflation.

Andrade concluded by saying: "The measures to be announced will stimulate the increase of agricultural production because they include credits for agriculture, no tax increases, stricter control over the public sector with cuts in this sector and state investments, and by speeding up the privatization process."

Paraguayan Commerce Minister Comments

PY2804011593 Asuncion ABC COLOR in Spanish 24 Apr 93 p 17

[Text] Paraguayan Industry and Commerce Minister Ubaldo Scavone said the ministers' meeting left "a clear message of reaffirmation for the sustained progress of the Mercosur [Common Market of the South] process" for the common market to become a reality on 1 January 1995.

He said: "What should be stated and seems to be important to emphasize is that the integration process is not being interrupted and that nothing has been said about postponing its implementation deadline."

Scavone added: "What I am saying is that the local press' insistent reports that the integration process is in doubt or studies are being made to extend its implementation deadline have been fully overcome by the attitude shown here by the four Mercosur member countries."

He concluded by saying: "I also believe this meeting served to reaffirm the will for sustained progress and to this effect more substantial progress will be required in the working subgroups for making timely political decisions for Mercosur to be become a concrete reality in January 1995."

Finance Minister Juan Jose Diaz Perez, who was in charge of the coordination of the meeting of economy ministers and central bank presidents in the Hotel Guarani in this city yesterday, emphasized the importance of the decision made to intensify the actions to overcome the obstacles encountered in the integration process.

Diaz Perez said: "The meeting served to express not only good intentions but also to form a working group made up of vice ministers who, along with the already established subgroups, will work in a specific way on the economic and commercial imbalances and differences that are disturbing the process to speed up the solutions the countries demand in this transition to a common market."

Regarding the meeting's developments, Diaz Perez said: "First, the countries' macroeconomic situation was discussed and the ministers made their respective representations in this regard. Second, within the item related to the coordination of macroeconomic policies, we discussed common external tariffs, common actions on legislation referred to guarantees on investments, and intellectual property, and the last issue was commercial exchange between the member countries and trade imbalances."

Uruguayan Economy Minister Cites Concerns

PY2804023093 Asuncion HOY in Spanish 24 Apr 93 p 21

[Text] Uruguayan Economy Minister Ignacio de Posadas said yesterday that "processes cannot be custom made." The minister gave a general view of the concerns of the Uruguayan entrepreneurial class, which believes that

implementation of the tariff reduction schedule should be postponed until macroeconomic policies are made compatible. Uruguayan entrepreneurs will raise their concerns with their Paraguayan and Argentine counterparts. In this regard, the minister said that "it is true that the Chamber of Industries has stated that it will contact its peers from other countries to raise a proposal aiming at postponing implementation of the tariff reduction timetable. But this is an initiative by the Uruguayan private sector, and Mercosur [Common Market of the South] is a treaty that is managed by the four member countries."

With or Without Mercosur

In referring to this situation, the Uruguayan minister said that because of current world trends there will be changes in technology and production, with or without Mercosur.

"I would not say it is necessarily a consequence of Mercosur."

The four countries, each to a different extent, have their own problems, because each one has its own particular history. Each one is making its own restructuring process which includes opening commercial barriers, something that would have been done even in the absence of Mercosur. "The same thing applies to everyone," the minister added when referring to the Uruguayan productive sector's joining of the integration process.

"This means that there are several groups that have operated under protective measures, that they find it hard to undergo reconversion, and that even though they agree they have to undergo reconversion, they ask for a little more time when things become difficult. But the process cannot be custom made," the minister added in referring to the Uruguayan case.

Uruguay Gets Ready

Asked whether the Uruguayan Government is helping the industrial class with credits to meet the challenge posed by Mercosur, de Posadas replied that there are credit lines for that purpose.

"An agreement has been reached with the IDB [Inter-American Development Bank] and another one with Japan's Eximbank. The credits range from 200 to 300 million [no currency specified]," he added.

During the conference, the minister was asked whether macroeconomic differences might affect some products that Mercosur countries consider vital and that might be subject to special tariffs. The minister replied that "it is possible" but reiterated that the matter will be addressed at the upcoming Council of Ministers' meeting scheduled for July.

He added that integration processes are not the cause of the differences because they have existed throughout history since the region's economies are closely linked and are interdependent.

Argentina's Cavallo on 'Zero' Deficit

PY2804015693 Asuncion ABC COLOR in Spanish 24 Apr 93 p 17

[Text] Argentine Economy Minister Domingo Felipe Cavallo said yesterday during a news conference in the Hotel Guarani that his country's objective for 1993 within Mercosur [Common Market of the South] is to achieve a zero fiscal deficit.

Cavallo added: "From the presentation made by the four ministers on their respective macroeconomic policies, it becomes clear that in three countries—Paraguay, Uruguay, and Argentina—the objective in 1993 is to achieve a zero deficit, and, according to what the Brazilian minister said, that country also is moving toward achieving a small fiscal deficit."

Cavallo added that the monetary and exchange policies still are different because they are based on very different situations, but it will be easier to achieve an overall integration of our economic policies as the fiscal policies are reconciled.

Regarding any instructions in this regard, he said: "We have not identified any new instrument to facilitate a policy for economic convergence, but we have seen that there is a trend in our economic policies and this makes us optimistic."

In answer to a question about bilateral trade with our country, Cavallo said there is no bilateral obstacle to Argentine-Paraguayan trade different than the one applied in Argentina's trade with other nations.

He added: "If you are referring to the increase of the statistics tax to 10 percent last year, the situation that worried Paraguay is being resolved within ALADI [Latin American Integration Association] through a complementation economic agreement that recognizes the two countries' different levels of relative development and allows us to reduce that tax to 3 percent for a list of products important to Paraguay."

Regarding the common tariff, Cavallo said: In Mercosur we want to make progress in the definition of the common external tariff for its implementation as of 1 January 1995, therefore, we designed a practical way of making progress.

Cavallo concluded by saying: "The special GMC [Common Market Group] group will work in May and the group of vice ministers will be formed to work in June to try to make a proposal on the most difficult issues, tariffs of more than 20 percent and other special difficult situations. The proposal will be considered by the economy ministers and, finally, by the presidents for finding a solution."

Correction to Presidents Sign Agreement To Strengthen Unity

PA2304164393

The following correction pertains to the item headlined "Central American Presidents Sign Agreement To Strengthen Unity" published in the 23 April Latin America DAILY REPORT, page 1:

Column one, paragraph three, only sentence, make read: ....our own growth and to become efficient associates in....(supplying dropped word)

Correction to Issue Joint Statement on Coffee

PA2304001293

The following correction pertains to the item headlined "Issue Joint Statement on Coffee" published in the 23 April Latin America DAILY REPORT, page 2:

Last paragraph, first sentence make read: [Issued] Managua, Republic of Nicaragua, 22 April 1993. (adding dropped phrase)

Cuba

Robaina Meets With Argentine Governor

FL2804015893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 28 Apr 93

[Text] Roberto Robaina today received Horacio Massecessi, governor of Rio Negro Province, Argentina. Journalist Ismael Tartao has the details.

[Tartao] During a cordial dialogue, Massecessi and the Cuban foreign minister discussed topics of bilateral interest. The governor of the Argentine Province of Rio Negro, who is visiting the capital at the invitation of the government, has met with the Secretariat for Nuclear Affairs, the San Jose de las Lajas isotopes plant, and Cuban Communist Party, Government, and state authorities

Brazilians To Participate in Health Conference

FL2604024793 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Apr 93

[Text] A group of 107 Brazilians is in our country to participate in the first Brazil-Cuba Health Conference. The conference is organized by Brazil's Ibero-Latin American Health and Labor Institute [Instituto Ibero-Latinoamericano de Salud y el Trabajo] and by the Cuban Hermanos Amejeiras Hospital. The group is comprised of health care professionals, deputies, representatives of workers' and women's organizations, and state and municipal health officials.

[Ana Maria Rodriguez, Ibero-Latin American Health Institute; identified by caption] I think Brazil needs to learn, to buy, to have all that equipment in Brazil to be able to provide better healthcare for its people.

[Nizan Pereira, Parana State Health Secretariat; identified by caption] We are coming to Cuba to learn a lot from a country that has already faced that reality, the reality of being a poor country and which has overcome all those problems that we in Brazil have unfortunately not yet overcome.

[Rosanita Campos, Women's Federation of Brazil; identified by caption] This is not just the patrimony of the Cuban people. It also belongs to us. It belongs to all mankind, and mankind needs to take advantage of it, needs it. This is a commitment on our part, the federation's. That is why we are here, and that is why we have to work hard to have more and more exchanges.

[Reporter Gladys Rubio] The topics to be discussed at this conference are the health care policies of the two countries, commercialization, and the development of the pharmaceutical industry. This is a good possibility for us to draw more closely together.

Inter-Caribbean Affairs

Authorities Waiting for Transportation To Ship Relief Supplies to Cuba

FL2704181793 Bridgetown CANA in English 1534 GMT 27 Apr 93

[Text] Kingstown, St. Vincent, April 27, CANA—Authorities in St. Vincent and the Grenadines are still awaiting transportation to ship relief supplies to Cuba, Foreign Affairs Minister Herbert Young has reported. Young told reporters negotiations were being made for a Cuban vessel to collect the supplies from countries in the Eastern Caribbean which have indicated support for the Cuban relief effort.

A storm hit Cuba several weeks ago causing widespread damage, especially to agriculture, and Young announced shortly afterwards St. Vincent and the Grenadines was sending supplies of rice and flour as an initial response.

"I think we have sufficient quantities (of supplies) to warrant a ship coming down, otherwise, we'd just have to send piece meal by air which may be a little difficult," he said. The ship is also expected to collect relief supplies from Barbados, St. Lucia, and Dominica, Young said.

The St. Vincent/Cuba Friendship Society will be embarking on a programme to sensitise the population to the needs of the Cuban people. President, Donnie de Freitas, said the decision at a meeting last week followed poor responses from locals to appeals for help. He suggested that people may not be aware of the extent to which the Cuban population needed help.

Haiti

Demonstrators Demand Indictment of Aristide

FL2704211293 Port-au-Prince Radio Metropole in French 1600 GMT 27 Apr 93

[Text] A demonstration is being held in front of parliament today. Demonstrators are demanding the indictment of ousted President Aristide. Rotschild Francois is there:

[Francois] Thank you studio. Good afternoon. Indeed, there is a demonstration in front of the Legislative Palace. The demonstrators are asking for the indictment of former President Jean-Bertrand Aristide, ousted on 30 September 1991 for violating the Constitution. The demonstrators are carrying posters on which are written, No to Pere Lebrun in Haiti! The demonstrators include Attorney Mireille Durocher Bertin, with a practice in Port-au- Prince, who sent a request to parliament for the indictment of ousted President Jean-Bertrand for repeated violation of the 1987 Constitution during the seven months he spent in power. We have with us Mrs. Bertin, who is explaining to us the meaning of this sit-in. Mrs. Bertin, good morning.

[Bertin] Good morning.

[Rotschild] What is the meaning of this demonstration today?

[Bertin] I believe it is an initiative by the national organization to try Aristide, formulated following my request to parliament, since many citizens identified with this request and decided to support it, and to demand that the legislators fulfill their responsibilities by eventually voting for the indictment. We are here to denounce violation of the 1987 Constitution. Since Aristide was the first representative democratically and constitutionally elected—this is what is always said—it was upon him to be first to respect this Constitution that he violated, but he held it up for ridicule and put us today [words indistinct].

[Rotschild] That was Attorney Mireille Durocher Bertin, who began this movement by introducing a request to parliament for the indictment of the ousted president, Jean-Bertrand Aristide. [words indistinct]

Trade Unions 'Amazed' at Arrest of Union Leaders

FL2704204393 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 27 Apr 93

[Text] The country's affiliated trade unions, including the General and Independent Organization of Haitian Workers [OGITH], the Federation of Workers Trade Unions [FOS], the Autonomous Organization of Haitian Workers [CGT], and the Confederation of Haitian Workers [CTH] say they are amazed that the Haitian Army arrested three union leaders, members of the OCITH, on 23 April. The affiliated trade unions say they have observed for some time that repressive actions are committed everywhere while demonstrations against democracy are staged safely without problems.

The four affiliated groups say the arrests were made without mandate. The country's affiliated trade unions, who signed this press release, have therefore asked the Port-au-Prince police chief, justice minister, and the head of the Army to have the three CGT leaders released as soon as possible and to provide further explanation of the arrest. They say it is time for the rights of workers to be respected in Haiti as required by the country's fundamental law. Those who signed the press release are Jean-Philippe Gesner for OGITH, Dalceus Louisius for the FOS, Fignole Saint-Cyr for the CATH, and Jean-Claude Lebrun for the CTH.

APN Call for Strike Said 'Bitter' Failure

FL2704234293 Port-au-Prince Radio Metropole in French 1045 GMT 27 Apr 93

[Excerpts] The strike called by the People's National Assembly [APN] on 26 April was rather a bitter failure for APN which intended to paralyze activities to demand the return of the ousted president. In spite of flyer distribution in Port-au-Prince and in certain cities of the provinces, 26 April went almost normally except for a slight slowing down of public transport in Port-au-Prince during the early hours of the day. As a consequence, there were fewer students in the classrooms.

In the provinces, leaflets were distributed on 26 April inviting people to strike and demanding the return of Father Aristide to power. In Leogane, where a significant number of posters were distributed, barricades were set up. Police made some arrests.

The lessons to be learned from this day: First, political leader Hubert de Ronceray thinks that partisans of the ousted president can no longer be established here [n'ont plus droit de cite] and have just faced a new failure in the vain attempt to return, and I quote, the terrorist curate of Saint-Jean Bosco, unquote. [passage omitted] On the other hand, one of the APN leaders attributes the failure of this strike to an intimidation campaign organized by the military authorities who made numerous arrests. [passage omitted]

In Les Cayes, activities slowed down on 26 April, where many schools did not operate. In Gonaives, a significant military force was observed. In Cap-Haitian, the situation was normal. The Department of the North was affected by torrential rains that killed some people.

Commerce Secretariat on Panetta's NAFTA 'Is Dead' Statement

PA2804005493 Paris AFP in Spanish 2302 GMT 27 Apr 93

[Text] Mexico City, 27 Apr (AFP)—Mexico's Commerce Secretariat stated in a communique issued on 27 April that the affirmation made by an important U.S. official that the North American Free Trade Agreement [NAFTA] "is dead" does not express the U.S. Government's position.

In a conversation with a group of journalists in the U.S. Capital, Leon Panetta, director of the U.S. Office of Management and Budget, stated that NAFTA "is dead for the time being," and there is no possibility of it being ratified by the U.S. Congress. This conversation was published by THE WASHINGTON POST.

The Mexican Commerce Secretariat recalled that White House spokesman Dee Dee Myers said that President Clinton "believes that with the addition of supplementary agreements, NAFTA will be a good agreement and will create many jobs on both sides of the border." The secretariat noted that Mexican Commerce Secretary Jaime Serra and U.S. commercial delegate Michael Kantor "have agreed that parallel negotiations are going well."

He stated that commercial representatives agreed that on the next "meeting, during the week of 3 May, negotiators will complete a draft text and that the polishing process will begin during the week of 10 May."

The communique concluded by stating that "Serra and Kantor will stay in constant communication to supervise the progress of the parallel agreement negotiations."

Panetta said that President Clinton is facing an "up hill" battle to get approval of several key issues of his economic plan, the $1.8-billion aid package offered to Russia, and the ratification of NAFTA.

Besides former presidential candidate Ross Perot, various trade unions, conservation organizations, and consumer groups in the United States have intensified their attacks against the agreement because it would create a commercial free zone with 360 million consumers.

NAFTA opposers believe that the agreement would lead to a transfer of jobs from the United States to Mexico, to benefit from the low salaries paid to workers in this country.

Costa Rica

'Death Commando Unit' Continues Siege at Supreme Court

Radio Operatator Assesses Situation

PA2704142293 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 27 Apr 93

[Telephone interview with a Costa Rican radio operator named Sonia in Costa Rican Supreme Court by unidentified reporter on 27 April—recorded]

[Text] [Reporter] We are in contact with the Costa Rican Supreme Court where 24 [number as received] persons have been held hostage since 26 April by a command unit of apparently four people. Two are Colombian, one is Chilean, and one is Costa Rican. They are armed with machine guns, have explosives, and have threatened to blow up the building if their demands are not met. This is the second emergency that has taken place in San Jose, Costa Rica. Two months ago a Nicaraguan command unit occupied the Nicaraguan Embassy in San Jose.

[Sonia] We are in a difficult situation. The occupiers are very violent and say they have to place a call to their country, to Barranquilla. They are exerting a lot of pressure.

[Reporter] Are they asking to get in touch with the president of Colombia?

[Sonia] No, with the president of Costa Rica. They also want to get in touch with Barranquilla urgently. The situation is violent. I am handling it; therefore, I cannot give you the information properly. We are under strong pressure.

[Reporter] Who do they want to get in contact with in Barranquilla?

[Sonia] We do not know; they only say that they want to get in contact with an operator in Barranquilla.

[Reporter] How many occupiers are there and what are their nationalities?

[Sonia] There are apparently four: two Colombians, one Chilean, and one Costa Rican. They are heavily armed, have ammunition, and I do not know what else they may have.

[Reporter] How did you spend the night?

[Sonia] The climate was very tense, very difficult. They are pressuring us.

[Reporter] What do they tell you?

[Sonia] They want us to get communications for them. They have the [word indistinct] blocked. We cannot make the call that they are requesting.

[Reporter] They have asked to go to a South American country after being given $20 million. Do you know what country?

[Sonia] They are requesting $20 million and passage to a South American country; we do not know which one. They want the release of several Colombians, who are being held in Costa Rican prisons.

[Reporter] Have the Colombians been arrested for drug trafficking?

[Sonia] Yes sir.

[Reporter] Do you know how many Colombians they want released?

[Sonia] They have a list but we do not know how many.

[Reporter] Who is the leader of the four occupiers?

[Sonia] Do you mean what nationality?

[Reporter] Yes, that is right.

[Sonia] Well, the group consists of two Colombians, one Chilean, and one Costa Rican. They are the self-styled Death Commando Unit.

[Reporter] What nationality is Commander Charlie?

[Sonia] Apparently he is trying to disguise his voice, he is using an accent. He could be Colombian or Costa Rican. I do not know.

[Reporter] Were you able to sleep?

[Sonia] No, we have not slept at all.

[Reporter] Are your supply lines cut?

[Sonia] We have been given food and so have the occupiers.

[Reporter] You have food for how many days?

[Sonia] Right now, we do not have any. We got food at 0100 on 27 April and they were given food at 2300 on 26 April.

[Reporter] At this moment, we have Presidency Minister Rolando Lacle. If you wish, we can get one of the commando members in contact with him.

[Sonia] The command does not want to. They only want to talk to the president of the Republic. They want the president to talk to telephone central here so I can arrange contact.

[Reporter] Do you want to tell them to give you the telephone number in Barranquilla and we can set up the link?

[Sonia] No, they want me to get in touch with the operator only. I asked them for the telephone number and they did not want to give it to them.

[Reporter] Let us talk to one of them.

[Sonia] I do not have any contact with them. They are the ones who call me.

[Reporter] Do you have telephone communications inside?

[Sonia] Yes sir.

[Reporter] Have you seen them?

[Sonia] I have not seen them. They are hooded, so I have not seen them. Besides, they are in a separate room. We are on the same floor, but I have not seen them.

[Reporter] How is the president of the Supreme Court and other members taking this?

[Sonia] They are emotionally affected.

[Reporter] Have their been any conflicts?

[Sonia] Yes, apparently.

[Reporter] Have there been any arguments?

[Sonia] I do not know.

[Reporter] Can you describe the weapons that the occupiers have?

[Sonia] I have only heard that they have machine guns and ammunition. I do not know if they have grenades.

[Reporter] We know that of the 24 hostages, 19 are magistrates. You would be number 20. What are the posts held by the other persons?

[Sonia] Two are janitors; one is the secretary of the Supreme Court, and [word indistinct].

[Reporter] Do you know if there is any possibility that any magistrate will be released with a plan or request for the Costa Rican authorities?

[Sonia] I do not know that; I could not tell you.

[Reporter] We want to ask the presidency minister if the president is willing to speak to the occupiers.

[Sonia] Could you please do us that favor, because that is what Charlie is requesting.

[Reporter] Yes, Commander Charlie. We will try to find a solution to this Supreme Court takeover. The Costa Rican presidency minister will get in touch with the telephone operator of the Supreme Court. Do we have the minister on the line? We will try to get the line. Dona Sonia, when you say you have been harassed over the past few hours, what has happened, how has this been done?

[Sonia] The occupiers want to talk to the president and with the operator in Barranquilla, Colombia. They have pressured me during the morning hours. Approximately 10 or 15 minutes ago, this happened again.

[Reporter] If you like, you can give us the number of the Presidency in Costa Rica and we will try to establish the link.

[Sonia] Charlie says its 53-6575.

[Reporter] The number is 53-6575. Sonia, are all the hostages in a single room, in the same room?

[Sonia] They are apparently together.

[Reporter] Are you the only person who is separated from the other members of this command unit?

[Sonia] I am not being held hostage. I am providing a communication service. I am not being held hostage.

[Reporter] What part of the building are you located?

[Sonia] I am on the first floor.

[Reporter] Are the hostages being held on the second floor?

[Sonia] They are on the second floor.

[Reporter] How many more persons are on the first floor?

[Sonia] There are police officers.

[Reporter] Where are the police located? What type of military operation is there outside the building?

[Sonia] I cannot say. I am inside the building and cannot see what operation has been set up.

[Reporter] Were you on the first floor when the occupation occurred?

[Sonia] No, I was not.

[Reporter] What time did you arrive and why were you called?

[Sonia] To assist in making telephone contacts.

[Reporter] Who called you for this purpose and when?

[Sonia] Some fellow workers called me.

[Reporter] Yesterday evening or today?

[Sonia] Yesterday evening.

[Reporter] Do you know how the occupiers entered the Supreme Court building? Did they do so violently, did they threaten the guards?

[Sonia] No, it was not violent, no sir.

[Reporter] In other words, they went in as if they were arriving home?

[Sonia] No, they had a way of going in, but they did not resort to violence.

Calderon on Guaranteeing Hostage Safety

PA2704155393 San Jose Radio Reloj in Spanish 1454 GMT 27 Apr 93

[Text] President Rafael Angel Calderon Fournier has said that the main priority in the situation the country is experiencing is to guarantee the safety and security of the magistrates and other people who have been held hostage at the Supreme Court of Justice since 26 April. The Government Council will be meeting in the next few minutes to examine the situation carefully and thoroughly.

Meanwhile, it has been learned that when they presented their demands close to midnight on 26 April, the occupiers set a deadline of 1500 on 27 April for compliance. The leader of the Death Commando Unit, who calls himself Charlie, said the group expects to negotiate directly with the president of the Republic, with the top people, as he put it, because he does not want a repeat of events that occurred in his country. He was referring to the occupation of the Colombian National Palace, where several high-ranking government officials were killed. Charlie said that if their demands are not met, the occupiers will blow up everything.

President Calderon, however, says he is calm and that he has a very professional team with which to resolve the situation. He said the first thing the country, in other words the government, must do is seek a strategy to resolve the situation within the country's possibilities.

[Begin Calderon recording] First we must seek to safeguard the lives of the people who are held there to be able to free them. That stands above all else. How are we going to do it and what strategy will we use? It is better not to speculate. Let us allow the country's authorities to take action in such a way as to guarantee the release of the magistrates and other personnel who are being held hostage. That is basic.

Second, after the matter is resolved, we can begin to debate and discuss in depth what is happening in the country and why this situation developed. First we have to avoid speculating about what we are going to do. We are going to work in an orderly, professional manner. We have the necessary organizations to do a good job and free the magistrates. That is the first thing we should do. [end recording]

President Calderon said that during the Government Council meeting that will begin in a few minutes, immediate actions will be approved for resolving this serious situation. He added that as soon as this serious problem is resolved, the country must adopt the appropriate security measures to eliminate from Costa Ricans' minds the belief that Costa Rica is an island and that nothing ever happens here.

[Begin Calderon recording, in progress] ...nothing in haste. We have to work with total calm. There are reports that the president does not [words indistinct]. I am very calm. On other difficult occasions, I have been serene and calm to handle the situation. There is a very professional, extraordinary team handling things now. There is nationwide support for the efforts being made, and I believe the media can make an important contribution in a patriotic manner, as they usually do. [end recording]

Head of 'Death Commando Unit' Speaks

PA2704171593 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1636 GMT 27 Apr 93

[Telephone interview with "Commander Charlie," leader of the Death Commando Unit that is holding hostages at the Costa Rican Supreme Court, by Pilar Cisneros in San Juan—recorded]

[Text] [Cisneros] Who is speaking?

[Charlie] Charlie.

[Cisneros] Are you the head of the commando unit?

[Charlie] What is the matter?

[Cisneros] I do not know. I was told that you wanted to talk to me and that I should call the Supreme Court.

[Charlie] Right, Pilar.

[Cisneros] What information do you want to give me?

[Charlie] What I would like to tell the public is that we are not....[pauses] They cannot say that we are or are not common criminals or whatever they want to call us. I only want to say that we do not want a repeat here of what happened in our country. We do not want-....[pauses] If those demands are not met, regrettably, we are going to blow up everything. It would be advisable to try to locate the president, because we do not want to deal with the low-level people here.

[Cisneros] Right.

[Charlie] We want to talk with the top people of this country.

Government: Impossible To Provide Payment

PA2704175193 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1643 GMT 27 Apr 93

[Text] The Government Council is still meeting in San Jose, Costa Rica, and is considering all possibilities. At this time, however, the Costa Rican Government has already said that it is absolutely and materially impossible to meet one of the demands of the people occupying the Supreme Court installations, namely, to provide $20 million, 2.2 billion colones, which is equivalent to the budget of the Social Security Institute. It is impossible for the Costa Ricans to obtain this sum, and they have said directly to the occupiers: We do not have $20 million to give you.

Attention, Costa Rican Prime Minister [title as heard] Luis Fishman has ruled out any action by a police commando group to try to end the hostage crisis that has

disrupted this country, which has no Army. Fishman, whom we could call Costa Rica's strongman, said this could cause more difficulties than solutions, because Costa Rica's police force does not have the proficiency to enter a building that is full of explosives.

Magistrate in 'Poor Health' Released

PA2704173293 San Jose Radio Reloj in Spanish 1704 GMT 27 Apr 93

[Report by Bernie Vasquez in San Jose on 27 April—recorded]

[Text] Magistrate Jesus Ramirez has been taken out suddenly through the front entrance of the Supreme Court building. We have been quite surprised by this. There has been some confusing reports regarding the poor health of one of the hostages. As of this moment, therefore, this report has been confirmed. We do not know what other persons are in poor health.

It is a fact. We reiterate that Magistrate Jesus Ramirez has been taken away in a private vehicle, escorted by police. He was apparently the person who was suffering from poor health and was taken to the closest hospital. It was speculated that it could be the Calderon Guardia Hospital, but this has not been confirmed. We are trying to confirm this. Consequently, with this action, Magistrate Jesus Ramirez has been released. Something positive has been attained from this group, even if it is due to the poor health of a hostage.

Civil Guard Director: Little Has Changed

PA2704174293 San Jose Radio Reloj in Spanish 1554 GMT 27 Apr 93

[Interview with Colonel Marino Donato, director general of the Civil Guard, by Bernie Vasquez from the Supreme Court building in San Jose on 27 April—recorded]

[Text] [Vasquez] We are at our post on the northwest side of the Supreme Court building. We are speaking to Colonel Marino Donato, director general of the Civil Guard. What is the situation? What operation has taken place? What is the situation around the Supreme Court building, Col. Donato?

[Donato] Very little has changed. We have eliminated the second security cordon and left only the original cordon. We did it to reduce the access of people and vehicles to the area because a tremendous traffic jam was developing. The minister ordered the reduction of the security cordons. We have set up the cordon only 100 meters from the building. Our men helped us set it up. Traffic officers are directing traffic to prevent bottlenecks.

[Vasquez] Is assistance being given to those inside? A few moments ago we saw that a box of food was taken inside.

[Donato] Yes, apparently it was breakfast. There are some sick people inside and they cannot go without food.

[Vasquez] There are several people who are sick?

[Donato] There are three.

[Vasquez] We were quite concerned yesterday to see that in a matter of hours a doctor arrived and was assisted by paramedics. What was the cause of that?

[Donato] The doctor went in to check on the sick people and everyone in general. He wrote prescriptions for some people who needed medicine that was unavailable. He went to get the medicine at a pharmacy in San Pedro and returned to distribute the appropriate medication. The paramedics came prepared because they did not know what the hostages' situation would be.

[Vasquez] Col. Donato, let us recall what happened one month ago a few meters from here when the Nicaraguan Embassy was occupied. After the negotiations ended, you traveled with the occupiers to the Nicaraguan mountain; you learned what it is like to be with them. We learned of the occupiers' demands during the 10 to 12 days of occupation. What can you draw from that experience regarding what is happening here in a situation that involves only Costa Ricans now?

[Donato] I want to say that these are two very different actions. The Yolaina group did a lot of talking. They issued communiques and came out with a little paper or spoke on the loudspeaker through the window trying to impress everyone. That was more theatrical, but they achieved their objective. I believe this situation is more serious. At least they are not making a play out of it.

[Vasquez] Col. Donato, there cannot be seriousness in a terrorist act.

[Donato] I say serious in the sense that one can be more professional than the other, of course, but it cannot be serious. I refer to the professionalism of their actions.

[Vasquez] Does it mean that the authorities are more reserved regarding this group? In other words, the other ones were more talkative and concessions were made. We are being prudent in this case, and we see that they are more professional. Could it logically follow, then, that the three demands will be granted?

[Donato] Not necessarily. We had to see what the Yolaina group demanded and now what this group is demanding.

[Vasquez] This group's requests are exorbitant.

[Donato] I heard someone say they could pay them with our bonus pay, with our pension payment, but we have to keep abreast of this. I cannot see how the government, with so many economic problems, is going to throw away 2.7 million colones. There is an awareness that they are making strong demands at this time.

[Vasquez] It is known that the magistrates being held are affluent. Do you think a contribution by the 20 families could help?

[Donato] I do not wish to comment on that. That is very personal and depends on each family. With all due respect, therefore, I decline to comment.

[Vasquez] I believe we have enlightened the people on aspects of the situation. Col. Donato explained that one security cordon remains around the perimeter. We have noticed that the flow of vehicles has improved. How is traffic on the road to Zapote?

[Donato] There are no problems there, everything is normal. There is one-lane traffic. We have detoured traffic to 8th Avenue, and the flow of vehicles coming from Zapote is normal.

[Vasquez] Before entering the cabinet meeting, the president asked that the topic of public safety not be touched until after the situation is resolved. Do you think the statement made on 26 April by several deputies who took advantage of the situation to criticize the government was prudent?

[Donato] I do not know. Everybody has an opinion. They are entitled to their opinion. They represent a public branch that I respect very much. Therefore, I do not want to comment on that.

President Meets With Media Directors

PA2704190493 San Jose Radio Reloj in Spanish 1741 GMT 27 Apr 93

[Report by William Cespedes from the Presidential Palace]

[Excerpts] A meeting between the president of the Republic, the Crisis Committee, and the country's media directors has just ended. The president has given a detailed explanation of the actions taken since 1330 on 26 April, when the government learned of the occupation of the Court building by the Death Commando Unit, a group of Colombian drug traffickers. The Death Commando Unit is reportedly demanding a $20 million ransom and guarantees to travel to a South American country, as well as the release of drug traffickers held in Costa Rican prisons.

The media directors were presented with a series of issues and asked to cooperate in dealing with this crisis that began on 26 April.

Meanwhile, the Government Council meeting continues and the president of the Republic has returned to the meeting room to continue the analysis. A decision should be made before 1500, which was the deadline given by the kidnappers at 2330 GMT on the evening of 26 April. At that time the kidnappers released a list of demands containing the aforementioned basic points.

The kidnappers have also threatened to blow up the court building if even one of their demands is not met. That would entail the use of explosives and assault weapons they are using to control the 19 Supreme Court magistrates and alternate magistrates as well as at least five judicial branch administrative officials who are also being held hostage. It should be noted that 18 magistrates are being held as one magistrate was released earlier due to health problems.

We have a recording of the telephone conversation between the leader of the Death Commando Unit, identified as Charlie, with Pilar Cisneros, Telenoticias Canal 7 news director. This is the only contact he has made so far. Charlie warned that the kidnappers want to negotiate directly with the president because they are not prepared to negotiate with low-ranking officials. Charlie also warned that he does not want to see a repetition of what happened in his fatherland, referring to the takeover of the Justice Palace in Colombia. [passage omitted]

Meanwhile, President Rafael Angel Calderon Fournier called for calm on the morning of 27 April. The president said a team of professionals is working to solve the crisis. He added that the government will act according to circumstances and taking into account technical aspects in order to guarantee the physical integrity, lives, and freedom of the magistrates being held by this commando group of drug traffickers. [passage omitted]

In the meantime, President Calderon stated that this situation will be analyzed at the government council meeting with all his ministers and a final decision will be made. The crisis is worsening with time because, according to the deadline established by the Death Commando Unit, there are approximately four hours before the outcome of this situation will be known. [passage omitted]

Explosives Said Tied to Hostages' Bodies

PA2704201193 Mexico City NOTIMEX in Spanish 1937 GMT 27 Apr 93

[Text] San Jose, 27 Apr (NOTIMEX)—Supreme Court President Edgar Cervantes has asked Costa Rican President Rafael Angel Calderon on 27 April to respond positively to the demands of the Supreme Court occupiers, who have been holding magistrates hostage for 24 hours.

"They are not playing games. They demand an answer before 1500," said Cervantes, who contacted reporter Greivin Moya of Television Channel 7.

The Supreme Court president said that "Charlie," who is the leader of the self-styled "Death Commando," has placed explosives in several parts of the building.

They have also tied explosives to the bodies of several magistrates, Cervantes said while speaking to the reporter, who was shown by television cameras while entering and leaving the Supreme Court building.

As instructed by Charlie, Cervantes warned the government that the occupiers have collaborators outside the building.

From behind Cervantes, the terrorist said out loud that no more concessions will be made and that "we will all get out of here one way or another."

The reporter was allowed to enter the lobby of the Supreme Court by members of the commando group that has been occupying the court since 26 April and holding 19 magistrates and three officials hostage.

Cervantes insisted that it is important that the government realize how tense the situation is inside the Supreme Court building.

He recalled that there have been health problems, as in the case of Magistrate Jesus Ramirez, who was released this morning and taken to the Calderon Guardia Hospital.

Other hostages experiencing health problems are Zarella Villanueva, who has high blood pressure; Alvaro Fernandez Silva, with gastrointestinal pains; and Fernando Del Castillo, equally tense and with chest pains. Those reports are according to Fernando Garzon, the physician who has visited the hostages twice.

The government is holding a council meeting in President Calderon's office to study the demands. It must respond by 1500 (2100 GMT) when the commando group's deadline expires.

Government To Establish Talks

PA2704210693 Hamburg DPA in Spanish 2017 GMT 27 Apr 93

[Text] San Jose, 27 Apr (DPA)—Costa Rican President Rafael Angel Calderon has announced that before 1500 (2100 GMT), his government will establish talks with the commander of those who seized the Costa Rican Supreme Court by force on 26 April.

The president was careful in issuing a statement at a news conference. He only explained that the dialogue will be headed by a Crisis Committee composed of three ministers and that this will be done through a communications system established for this purpose. He said: Let us let the Crisis Committee, which will function from the Public Security Ministry, do its work. He added: We have our best people working on this.

The committee is composed of Public Security Minister Luis Fishman, Presidency Minister Rolando Lacle, and Foreign Minister Bernd Niehaus.

The president avoided giving more details about the dialogue strategy. He would not say if the government is prepared to accept the demands of the self-styled death commando presumably composed of at least two Colombians who want to secure the release of several fellow Colombians serving drug-trafficking sentences here.

The president, who appeared tired, said: Let us hope that everything comes out alright. May God help us, he noted. He added: We are not going to give more details. The most important thing we can do is to safeguard the lives of the hostages. The lives of many people, institutionality, peace, and the country's future are at stake, he explained.

The commando, whose leader is called Charlie, has threatened to blow up the court building if the government does not satisfy its demands before 1500 on 27 April. The president stated: Talks will be held with them before that time.

Calderon said that on 27 April he established telephone contact with Colombian President Cesar Gaviria and that he has received solidarity messages, among others, from Presidents Jorge Serrano, Alfredo Cristiani, and Violeta Chamorro, of Guatemala, El Salvador, and Nicaragua, respectively.

The chief of state has said that it does not matter if the talks take a few days as long as a peaceful solution is found to the problem, although it will be the experts who will have the last word. It has been said that during the night, the Presidential Palace reportedly received several calls threatening attacks on the capital if the commando's demands are not met.

Eighteen justices are being held on the second floor of the building that houses the Supreme Court of Justice. One justice was released earlier because of health problems. Another five court officials are also being held on that floor.

Captor Says 'No More Concessions'

PA2704211293 San Jose Radio Reloj in Spanish 2033 GMT 27 Apr 93

[Text] Supreme Court President Edgar Cervantes, one of the justices who was kidnapped on 26 April, said their captor, Charlie, has attached explosive charges to the bodies of several justices. Cervantes spoke to a journalist whose entrance and departure from the Supreme Court of Justice building was followed by television cameras.

At Charlie's request, Cervantes warned the government the kidnappers have collaborators outside the building. Standing behind Cervantes, the terrorist said in a loud voice there will be no more concessions, adding that they will all leave the place one way or another.

A journalist was allowed by the commando members to enter the building's lobby. Since 26 April, the commando members have been occupying the judicial facilities and holding 19 justices and three judicial officials hostage.

Envoy to Panama Comments

PA2704225293 Panama City Telemetro Television Network in Spanish 1730 GMT 27 Apr 93

[Text] Costa Rican Ambassador to Panama Herbert Wolf Fournier commented that the terrorist actions that

have taken place in his country could lead to a reemergence of violence that apparently had faded in the Central American region.

[Begin Fournier recording] If the purpose of the kidnapping is to exchange drug traffickers imprisoned in Costa Rica for the lives of the people or some other sort of exchange, then it is the president, in my opinion, who should have the last word on this. One is certain: We want to safeguard the lives of the magistrates—definitely.

We have been hit, unfortunately, by foreigners. The first kidnapping was against a minister. The kidnapper was a Honduran. The Nicaraguan Embassy seizure was a matter among Nicaraguans. Now these people are foreigners. I am not saying from what country because there is no confirmatinteas to where they are from, but we believe that they are foreigners.

It just so happens that democracies are liberal. We have no restrictions on the comings and goings of people in this country. There is absolute freedom of movement in this country. This allows people with ill-intentions to take advantage.

In Costa Rica there is a Crisis Committee composed of three ministers: Presidency Minister Rolando Lacle, Government and Public Security Minister Luis Fishman, and Foreign Miniser Niehaus. This committe was formed so that they can begin approaching, begin negotiations with, the kidnappers. [end recording]

New Supreme Court Plenum Established

PA2704234793 San Jose Radio Reloj in Spanish 2237 GMT 27 Apr 93

[Report by Bernie Vasquez from Supreme Court of Justice building in San Jose—live]

[Text] A news conference just concluded. A new Supreme Court plenum was established recently in keeping with the Judicial Branch's Basic Law, which includes provisions for the appointment of alternate magistrates [words indistifor the A new Supreme Court plenum was thus appointed and will operate until the crisis, which has deprived most of the principal magistrates of their freedom, is settled.

It was reported the newly appointed magistrates of the Supreme Court plenum are coordinating efforts with the Executive Branch. They are focusing their efforts on restoring order and normalcy at judicial offices. The magistrates are now heading for the Presidency to meet with President Calderon.

After this news conference, magistrates such as Rodolfo Pisa voiced their dismay over the situation facing the country. Magistrate Luis Paulino Mora said he hopes the crisis will be settled and added he has faith this will happen.

Daniel Gonzalez, the recently appointed president of the Supreme Court, said the crime committed on 26 April against a majority of court magistrates is an attack on judicial officials, but it has, however, not paralyzed the administration of justice. The Judicial Branch will—under special conditions created by the serious developments—continue to administer justice and carry on with its regular activities. Only certain offices specified by the court will remain closed for a period that is strictly necessary.

Meanwhile, the Constitutional Court or Fourth Court, which is tasked with safeguarding the basic rights of citizens, resumed its work on 26 April. In other words, its work was interrupted for only a few hours, between 1400 and [words indistinct], when its operation was reestablished.

Judicial Branch offices will open at their normal time on 28 April. The judicial offices located in the court buildings—that is, the west wing of the judicial circuit—court secretariats, and higher courts will continue to operate there.

This, in a nutshell, is what Magistrate Daniel Gonzalez said during the news conference called to reveal the magistrates' position on the developments that have affected their colleagues.

New List of Demands Reported

PA2704235993 San Jose Radio Reloj in Spanish 2241 GMT 27 Apr 93

[Telephone report by Mitzi Madrigal from the Supreme Court of Justice building in San Jose—live]

[Text] A few minutes ago we received the visit of Dr. Fernando Garzona, who came to give medical attention to Justice Farela Villanueva.

According to unofficial reports, apparently the group of kidnappers gave a new list of demands to Dr. Garzona and asked him to deliver it to the commission headed by Minister Luis Fishman that is studying the situation at the Public Security Ministry.

These are the latest developments here in the last few minutes. Apparently, the group of kidnappers have presented a new list of demands. The contents of this new list of demands delivered to Dr. Garzona and which has been taken to the Public Security Ministry are unknown. Perhaps Journalist Gina Valdes, who is at the Public Security Ministry could try to get more details on the reports circulating here about a new list of demands that reportedly are being studied by the commission at the Public Security Ministry. The list was reportedly given to Dr. Fernando Garzona when he came to provide medical attention to Justice Farela Villanueva.

Doctor Reports Magistrates' Health Condition

PA2804003593 San Jose Radio Reloj in Spanish 2303 GMT 27 Apr 93

[Telephone report by Gina Valdez from the Public Security Ministry in San Jose—live]

[Text] A few minutes ago, Dr. Fernando Garzona came out to provide information to the media on the health conditions of the Supreme Court magistrates who were kidnapped on 26 April.

Dr. Garzona confirmed that Justice Fernando del Castillo's health condition is very delicate. Garzona suggests that Del Castillo be sent to a clinic as soon as possible. Del Castillo's blood pressure has not changed; it is getting higher and this could result in a stroke. The kidnappers are not allowing the justice to leave despite the fact that Garzona asked them to allow Del Castillo to be sent to a clinic immediately.

With regard to the two ladies, Virginia Calzada has a severe case of tachycardia. She was given medicine and oxygen. She is now calmer but still needs medical attention.

Mrs. Farela Villanueva was very delicate a few hours ago. Her blood pressure was very high. The doctor treated her and she is in stable condition, Dr. Garzona said, adding that she might require medical attention at the hospital. Thus, the two ladies had high blood pressure problems because of the situation they are experiencing with the heavily armed kidnappers who seized the Supreme Court.

The other magistrates are well but very nervous. The pressure they feel is great because these men are very dangerous. The fact that they are armed makes the magistrates even more nervous. This is logical and natural. But the justices' overall health condition is good. This was the doctor's report.

Let us listen to Dr. Garzona as he explained to the media how he communicates with the kidnappers to treat the people there. He tells about the treatment he receives from the kidnappers and how they behave when Garzona visits the Court.

[Begin recording] [Garzona] [words indistinct] twice a day. I do not know if I will go there again tonight. There are no plans for that nor a request from them. However, I was told to stay close by in the event of any contingency.

[Reporter] [words indistinct] with regard to the situation there. I am not necessarily talking about health conditions.

[Garzona] They do not talk much. We hold no conversations. I turn my back to them, raise my hand, and ask them for permission to speak. They answer and that is it. Very brief exchange of words. There is almost no conversation with them.

[Reporter] [question indistinct]

[Garzona] I have been unable to see them. They are always behind me.

[Reporter] Are they hooded?

[Garzona] I have not seen them.

[Reporter] [question indistinct]

[Garzona] This is very interesting. I cannot tell you what accent they have. I have heard accents but I cannot tell you that it is an accent from anywhere. There is a guy there who speaks like a Costa Rican. It seems that he is Costa Rican. The others speak with another accent.

[Reporter] Are the hostages together or apart?

[Garzona] I cannot tell you because they brought them to me one by one. I do not know where they come from.

[Reporter] Are the women being held together or apart?

[Garzona] I cannot tell you. I got the impression they are apart [words indistinct] but I cannot tell you. The last time I went there I saw that they put them in the corridor. It gave me the impression that the kidnappers were in the corridor too because I could hear them when I was checking the hostages.

[Reporter] Are you checking them in the hall on the second floor?

[Garzona] No, when you see me walk in. I am checking them on the other side of the door. I stay there. [sentence indistinct]

[Reporter] What is the psychological condition of the magistrates?

[Garzona] They are all very nervous. [end recording]

Monetary Demand Lowered; Deadline Extended

PA2804010793 San Jose Radio Reloj in Spanish 0036 GMT 28 Apr 93

[Telephone report by Gina Valdez from the Public Security Ministry in San Jose—live]

[Text] A few minutes ago, Public Security Minister Luis Fishman made statements to the media with regard to the agreements reached thus far with the kidnappers who are holding 20 hostages inside the Supreme Court building.

Fishman said that the $20 million demand was lowered to $8 million. He also disclosed that the request to take from Costa Rica Carlos Urquijo will not be granted because Urquijo, through a legal document, asked to be tried in Costa Rica. He does not want to go to Colombia with these terrorists.

Let us listen to Minister Fishman who discusses his recent talks with the kidnappers:

[Begin recording] [Fishman] We have a counterproposal from the kidnappers. They lowered their monetary demand. It went from $20 million to $8 million. They (?said they had) a statement from Urquijo saying that he was not going to leave the country with the commando unit. A copy of his statement was presented to the Constitutional Chamber. In this statement, Urquijo clearly and categorically states that he wants his case to be heard at Costa Rican courts. His case will be heard in the next few days in connection with an extradition request by the U.S. Government.

[Vanega] I am Tony Vanega of Panorama. Why did the demand go from $20 million to $8 million?

[Fishman] It means that we are in a process of negotiations. We are in a process of conversations. The deadline has been extended. The doctor visited the building two or three times this afternoon. The magistrates are in good condition. We hope that the situation will improve in the next few hours to put and end to this problem....

[Unidentified reporter, interrupting] Any contact with them this afternoon? What progress was made?

[Fishman] Well, the deadline was extended, the amount requested was decreased....

[Reporter, interrupting] Until when?

[Fishman] At 1300 on 28 April. And there was the Urquijo statement. [end recording]

Colombian Inmates Deny Links

PA2804023893 San Jose Radio Reloj in Spanish 0110 GMT 28 Apr 93

[Report by Gina Valdez from Public Security Ministry—live]

[Text] We have new information on what is happening at the Supreme Court of Justice with the negotiations. The most important news we have was provided to the media by Presidency Minister Rolando Lacle.

Lacle said the Colombians who are in Costa Rican prisons were asked whether they have links to the terrorists who are occupying the court building and they denied any connection. In fact, they said that they have no interest in leaving the country for South America with those individuals.

This is interesting news. In fact, Carlos Urquijo, through his attorney, put his statement in writing. Urquijo stated that he would not leave the country with these individuals who are demanding the release of Colombians linked to drug trafficking that are imprisoned in Costa Rica. They do not wish to leave the country [2-second break in reception] Costa Rican authorities. Let's listen to Presidency Minister Lacle's comments on this issue and on the reduction by $12 million made by the kidnappers. You may recall that they had originally demanded $20 million. They will now accept $8 million. This is the presidency minister.

[Begin Lacle recording] Not only has Urquijo, the Colombian who has been mentioned repeatedly in the past few hours, filed a statement with the Constitutional Court stating expressly and clearly that he has nothing to do with the members of the group that kidnapped the Supreme Court of Justice magistrates, through the media we have had contact with all Colombian citizens housed in local prisons who are linked in one way or another to drug trafficking or who are accused of having drug-trafficking ties.

They made it clear that they have absolutely no ties with the commando unit that occupied the Supreme Court of Justice facilities. They said that they would not leave the country's prisons and go anyplace with any person linked to the action against the Supreme Court of Justice. This means the Colombians who are under arrest in the country for drug trafficking have said expressly that they would not leave Costa Rica or the local prisons under any circumstances under the protection of the commando unit that is occupying the Supreme Court facilities. This is an important news update of which we thought you should be aware. [end recording]

Calderon on 'Positive' Turn of Events

PA2804034793 San Jose Radio Reloj in Spanish 0216 GMT 28 Apr 93

[Telephone report by William Cespedes from the Presidency in San Jose—live]

[Text] Almost 12 hours after a very intense work day began here at the Presidency, President Rafael Angel Calderon Fournier described as positive the way in which events have been unfolding during the past few hours when the ransom demand was lowered from $20 million to $8 million and the deadline was extended to 1300 [1900 GMT] on 28 April. Calderon has been personally involved in the coordination of efforts to overcome this conflict that began at 1330 on 26 April when an armed commando unit seized 24 members of the Supreme Court and Judicial Branch officials.

President Calderon ruled out the possibility that this commando unit is linked with international drug trafficking. He also voiced his appreciation for expressions of solidarity received from all of the country's sectors on 27 April.

He said that he will remain in permanent contact with the Crisis Commission, whose headquarters is in the Public Security Ministry, where negotiations are under way with the kidnappers.

Calderon noted that he will resume his activities on the morning of 28 April when he will receive the leaders of the National Liberation Party who are coming to express their support.

The president said:

[Begin recording] [Calderon] The deadline was extended. It was set for 1300 on 28 April. There was also a reduction in the amount of money that the kidnappers wanted. It was also clearly established that there is no [words indistinct] with drug trafficking and that all those in our jails accused of drug trafficking clearly stated that they will not accept their release in this way. They said that they are not involved in this case.

The Crisis Commission continues to hold talks. Today, we saw something very important: We must be united in the face of this problem. Those that have united are the media, the Legislative Branch, the Executive Branch, the former presidents of the Republic, the Supreme Court justices who began working today—the Court is working as a plenum—but it is an acting court, and the Supreme Electoral Tribunal. In other words, the entire country.

On the morning of 28 April, I will receive the political leaderships of the National Liberation Party.

The entire country repudiates these actions. We are determined to get the magistrates released.

[Reporter] [question indistinct]

[Calderon] It is positive so far. We have tried to keep in contact with the magistrates' relatives. [words indistinct] the necessary teams to handle this situation. After this, [words indistinct] the families. We send them our affection and warmth. We are with them. The Catholic Church [words indistinct] I asked them teach us to pray and ask God to enlighten us and allow us to pull through this problem.

[Reporter] How do you describe the [words indistinct] the kidnappers' flexibility evidenced by their lowering of the ransom?

[Calderon] These are the details I told you I cannot discuss. These matters are, logically, [words indistinct] because the lives of so many people and the country's institutionality and tranquility are at stake. [end recording]

Two Kidnappers Named

PA2804040893 San Jose Radio Reloj in Spanish 0304 GMT 28 Apr 93

[Report by Cecilia Zuniga from the Public Security Ministry—live]

[Text] A news conference held by the Crisis Committee to report on the situation that focuses our attention and reports the newest details on the identity of those who occupied the Supreme Court of Justice and took hostage 19 magistrates on 26 April concluded moments ago. This is what Public Security Minister Fishman said:

[Begin Fishman recording] We identified the kidnappers and can reveal the names of two of them at this time. They are Gilberto Fallas Elizondo and Guillermo Fallas Elizondo. They have no links to drug trafficking. The action has absolutely no connection to drug trafficking. Gilberto is a Judicial Branch official. He worked at the Prisons and Summons Department. He is the group leader.

They picked up five weapons at the Rural Police station in Tres Rios on 26 April. They received two .30 caliber carbines, an AK-47, and a T-65 from the canton delegate—a friend of theirs—allegedly for shooting practice. Those were the weapons used in the kidnapping. They are in the kidnappers' hands. This information was confirmed. Rafael Guillen, director of the Judicial Investigation Agency, will explain procedural details later.

They entered the [word indistinct] to the court building in an ash green vehicle to carry the [words indistinct]. That is the information I have for you now at this time. [end recording]

The public security minister added four kidnappers are involved. Only these two have been identified so far. Gilberto is the group leader who was also identified as Charlie.

Meanwhile, Rafael Guillen said Gilberto Fallas used a new or temporary driver to bring out a vehicle used to transport inmates and take it to Tres Rios where the rural police [words indistinct] lent them the weapons. This is a common practice among them due to their friendship.

Guillen added these weapons were used in the action against the court and to hold 18 magistrates hostage. Magistrate Jesus Ramirez was allowed to leave for health reasons. No Crisis Committee member was willing to give further details claiming security reasons.

Nicaragua

Presidency Communique Rejects Costa Rican Court Occupation

PA2704144493 Managua Radio Nicaragua Network in Spanish 1100 GMT 27 Apr 93

[Communique issued by the Directorate of Press and Information of the Presidency of Nicaragua in Managua on 26 April]

[Text] The Directorate of Press and Information of the Presidency states the following:

In view of the news reports on the occupation of the Supreme Court in Costa Rica, where the Supreme Court president and 20 magistrates are being held hostage by individuals who violently broke into the building, the president voices her rejection of this violent act, which disrupts internal order in our neighboring country. There is no room for such acts in our Central America, which seeks to strengthen peace, justice, and democracy.

President Chamorro reiterates her democratic spirit, repudiates this act, and expresses support for the efforts made by the Central American governments to avert and reject such acts.

[issued] Managua, 26 April 1993

Chamorro Delivers Anniversary Speech

PA2804034993 Managua Radio Nicaragua Network in Spanish 1706 GMT 25 Apr 93

[Speech by President Violeta Barrios de Chamorro on the third anniversary of her inauguration in La Concepcion—live]

[Text] Thank you very much my dear friends, brothers, and everyone present. Brothers of La Concha, of the different departments of Nicaragua who are with us; Father Dionisio Quintanilla, parish priest of La Concha; Mr. Elvin Lopez, mayor of La Concha; mayors of different departments who are accompanying us, who have come to La Concha because they support Nicaragua's democracy; members of the municipal council; National Assembly representatives; religious, civilian, and military authorities; members of the government; members of the diplomatic corps; special guests; and people of Nicaragua: I am very pleased to be in La Concha on the morning of 25 April. I recall the happy moments of my electoral campaign. On that occasion I came to this city to visit the prisoners, as the mayor noted. In December 1998 [as heard] I told my friends in La Concha that when I became president, I would pave the highway from Guastepe to La Concha. Today we are proudly inaugurating it. [applause followed by shouts of "Violeta! Violeta!"]

Three years ago, before becoming president of all Nicaraguans, we were experiencing a sad situation of war. There was a confrontation and deep polarization of our society. Freedom of expression was curtailed. Youths were forced to render obligatory military service. The familial pillars and fundamental values of man were weakened and distorted by doctrines alien to our cultural, religious, and moral beliefs. The peasant and worker sectors were accustomed to paternalism and handouts, having a negative influence on the traditional working spirit that has characterized us throughout history. Our business sector experienced the absence of free markets, and the state was the lord and master of the production mechanism, hindering the development of the country's economy.

We were experiencing an inflationary spiral that made us lose our identity and control of our currency. The inflation level was exaggerated. Every Monday—you all remember what happened on Mondays—every Monday we faced the sad reality that our cordoba was worth less and less. There were no commercial or friendly ties with other countries. Our relations were tense in some cases and virtually nonexistent in others.

Dear Nicaraguan friends, three years have passed since the new administration took office. I am filled with love for the fatherland, with much strength and optimism, but aware of the difficult task that I shoulder: the reconstruction of this nation, which was foundering in a sea of hate and desperation. Three years of tests and difficult moments have passed. They have been three difficult years filled with obstacles and stumbling blocks. We are living in peace, however, and are walking firmly toward the future of a new Nicaragua; a free Nicaragua with democracy, peace, and liberty.

We are laying the foundations for the economic reintegration and productive process that will allow us to solidify economic growth and further consolidate our democratic process. We are carrying out the basic postulates, desires, and fundamental objectives of the government platform that I pledged to fulfill. I, Violeta Barrios de Chamorro, took on a commitment to peace, democracy, and economic development in Nicaragua. Those were my commitments to the Nicaraguan people and I am fulfilling them.

Three years after taking office we have gone from war to peace, from financial chaos to economic soundness, from a totalitarian and dictatorial state to a nation that is open and respectful of the state of law. Today we are living in a democracy. We ended the war, mandatory military service, and the persecution of our youth. There are still some insignificant groups of Nicaraguans who continue to carry weapons and have not yet understood our reconciliation process. I will never tire of calling upon them to surrender their weapons for the good of our nation. These are times to build, not to destroy.

Ever since I took office, one of my most pressing concerns has been to ensure and protect liberty in all its various forms. We currently enjoy complete freedom of expression, freedom to organize, and freedom to mobilize union forces and political parties. We have rescued traditional family values. Now our education system is developing through a program based on the fundamental postulates of democracy, peace, liberty, brotherhood, tolerance, and respect for the values of nationhood. [Unidentified speaker shouts: "Long live Mrs. Violeta Barrios de Chamorro! Violeta! Violeta! Violeta!"]

I have also kept my economic promises by eliminating hyperinflation and reorienting our economy to a competitive market system. We have done this by suppressing the barriers that tended to limit private sector participation. We have gone from economic decentralization and state entrepreneurship to a market economy and with the state as a promoter. We were able to halt eight consecutive years of falling GNP, thus generating economic growth in 1992. Our international relations are now cordial and friendly, and we have been able to overcome the problems that arose as the result of the suspension of aid from the United States. In addition, we have been able to obtain concrete international support

for our economic and social reconstruction processes. In other words, we have obtained support for our integral reactivation program.

Despite the progress and accomplishments my administration has been able to obtain over the past three years, I am aware that we have new problems that are very serious and which we must confront. The challenges Nicaragua faces, however, must be confronted while always keeping the future of our next generation in mind. We are committed to bequeathing a democratic Nicaragua in a stage of full development to our next generation.

Unemployment, critical poverty, and the destruction of our natural resources are realities affecting the whole country. They are issues that should prompt all Nicaraguans to encourage sustained campaigns to protect our natural resources.

That is why the Nicaraguan Natural Resources and Environment Institute [Irena] has initiated a program with mayors offices and local social groups to stop and revert the deforestation process that is drying up our water sources and turning the territory into a desert.

In addition, we are organizing responsible youths into municipal ecological brigades to protect and defend the environment. The ecological brigades of Masaya Department as well as students and public and private organizations will commemorate Arbor Day on 25 June by reforesting the Coyotepe Hill as an act of repentance for the violence we have done Mother Nature. In addition, we must meet the challenge of Central American integration, which my administration is pushing with enthusiasm.

Nicaraguans, my government is working to improve the living conditions of the poorest sectors of our population. I wish to reaffirm my firm pledge to the less fortunate that as long as I am president, I will always be with you. There will be no return to the system of the past when the people were oppressed and excluded from benefits that favored the uppermost layer of our society. That is why early in the year I ordered the creation of the Social Action Ministry and started the Solidarity Restructuring Program. The development of society is one of the most serious and important tasks of my government for the next months, in addition to strengthening political stability, restoring internal consensus, settling property ownership claims, protecting personal property, professionalizing the police, subordinating military power to civilian power, and modernizing all macroeconomic aspects.

As president of all Nicaraguans, responsible and aware of all our problems, I think this is the time for a sincere and open dialogue among the government and all the country's economic, political, and social sectors. This dialogue is the appropriate means to find a way out of the problems we now face.

That is why I will devote the next week, which includes 3 May, the Day of the Cross, to talking with the National Opposition Union [UNO], the Permanent Workers' Council [CPT], the National Union of Farmers and Cattlemen [UNAG], the Higher Council of Private Enterprise [Cosep], the National Workers' Front [FNT], the Sandinist National Liberation Front [FSLN], and the Center Group. This government has maintained and will continue to maintain a permanent dialogue to ensure the welfare of all Nicaraguans. Chamorro and her administration are always ready to stop on the road to listen to the problems of society's various sectors and try to find solutions based on consensus.

[People shout: "Long live Violeta de Chamorro! Violeta! Violeta! Violeta! Violeta!"]

Dear La Concha friends, all Nicaraguans: In various municipalities in the Departments of Masaya, Carazo, Granada, and Rivas, I have issued instructions to the Ministry of Social Action and the Emergency Fund for Social Investment, FISE, to carry out important development projects together with other government institutions. In La Concha, we will repair the Guillermo Ampie Lanza and will deliver 750 school desks to various schools. [applause and shout: "Long live the president of the Republic!"]

Niquinomo is an example of what the Solidarity Reactivation Program [Programa de Reactivacion Solidaria] means. A total of 200 family heads are being benefiting from the community employment plan, and are encouraged by permanent jobs with the reopening of the Niquinomo Savings and Loans Cooperative with funds from the Central Government.

We will continue supporting you, so efforts by small businessmen can have access to credit. We will also replace four classrooms at El Eden Central American School, and three in La Marimba School.

In San Juan de Oriente, we will repair the Sergio Allerbi School. and in Tisma, the Benjamin Zeledon Norte and Moises Rivera Schools. In Catarina, we will repair the Marvin Nicaragua Educational Complex, and will deliver 250 school desks. In Masaya, we will repair the Carlos Ulloa Arauz National School, the Bosco Monge Medical Center, and will deliver 1,230 school desks. [applause and shouts: "Long live President Violata Barrios de Chamorro, long live the president of Nicaraguans!"]

In Nindiri, we will send 960 desks for schools to that municipality. In Nandasmo, I witnessed the implementation of projects that will benefit the community and have given jobs to 277 heads of family. Those projects have an initial cost of 50,000 cordobas. I have also witnessed the advancement of the communities of San Francisco, Campusano, Cofradia, Los Altos, Guanacastilla, Piedra Quemada, and other Nimbiri sectors, where the community employment plan is supporting joint projects in which 150 workers participate in community work.

We will also repair the Ruben Dario Elementary School, and will expand the Carlos Mairena School.

In Masatepe, my government is promoting the reactivation of the Masatepe Savings and Loans Cooperative through financial support to promote the activities of its members, who are small industrialists who will open permanent jobs for other citizens in the area. In that same municipality, temporary jobs have been given to 60 citizens. Community projects have been given priority through their development committee, which has invested 55,200 cordobas for the benefit of the community.

We will deliver 650 desks for schools in that municipality, and will repair El Arenal Health Center.

On 24 April, I participated in the installation of El Socorro Cooperative in Diriamba. My government has supplied funds to support small merchants and industrialists.

We will begin repairs at San Vicente School, and will recondition the La Boquita and Santa Maria schools, where we will equip six classrooms, and purchase furniture for the Santa Maria Academy.

In La Paz, Carazo, my government delivered 140,000 cordobas to create 220 temporary jobs and thus contribute to alleviating the unemployment problem. By supporting development projects, such as the expansion of the potable water pipelines, and the construction of [words indistinct] at the rural family education center. We will also deliver 675 desks to various schools.

We will repair and enlarge the La Conquista health center. In Jinotepe, 372 people who were formerly unemployed will receive benefits from this program. They will contribute their labor to widening roads and repairing sewers, electrification projects, and [words indistinct]. The residents of El Aguacate, (El Polvazal), [word indistinct], Paso Real, (La Ollara), and El Panama have witnessed these projects.

As part of the Solidarity Reactivation Program, I delivered funds for the reactivation of the Union y Esfuerzo Cooperative in Jinotepe Municipal market on 24 April in Diriamba. I will continue to support such initiatives of joint participation.

We will carry out projects to refurbish the Children's and Martyrs' Education Center in (Ayapa), as well as [words indistinct] school. We will deliver 400 desks in that municipality.

In El Rosario we will deliver 300 desks. In San Marcos we will refurbish 10 classrooms of Republica de Cuba School and will deliver 700 desks. In Dolores we will build 10 blocks of ditches. The Community Employment Program has created jobs for 153 heads of household in Santa Teresa. For the time being the government has allotted 80,000 cordobas for various progress projects in that community such as ditch building, street paving, and road repair.

We will deliver 470 desks in Nandaime, and the economy is being reactivated in Diriomo through the [words indistinct] of La Harmonia Savings and Credit Cooperative, which on 24 April received a check for 40,000 cordobas from the Solidarity Reactivation Program to promote permanent jobs in the community. In addition, 470 desks will be delivered to the municipality's schools.

In Diria, three classrooms of the Mario Narvaez Institute will be refurbished. In Granada, the United Nations School will be repaired, the southern pavilion of Maria Auxiliadora School will be enlarged, the Sor Maria Romero School will be repaired, and 4,340 desks will be delivered.

In Altagracia, 1,700 desks will be delivered. In Belen we will enlarge the Omar Cortes Quintanilla School. In Cardenas we will build the Sapoa school. In Rivas we will deliver 1,380 desks and repair the Carlos Jimenez School. An additional classroom will be built at the Pedro Castillo School and 270 desks will be delivered in San Juan de Sur. In [words indistinct] the health center will be enlarged. In (Mansimi) we will repair the health centers. In Las Salinas and Tola, we will deliver 630 desks.

The Social Action Ministry will continue to coordinate social programs and promote the social agenda. We are the second country in Latin America, after Mexico, to create a Social Action Ministry, which demonstrates the great importance my administration places on social development.

At the meetings we have attended, my government has expressed to the international community that their valuable cooperation is only a provisional element that will help us promote economic growth, fight unemployment, and improve standards of living.

One of my biggest aspirations is to achieve economic and production growth, and we will do it with the aid of friendly countries and through our own hard and consistent work. We must become aware of the fact that the greatness of the people, aside from the nobility and patriotism of citizens, must be expressed through the effort and dedication of its men and women in daily work. It is time we realize that no one will come to solve our problems, my dear friends. It is we Nicaraguans who will shape our future and play the primary roles in our continued existence or our failure.

In that sense, we must efficiently invest the limited financial resources we have in information campaigns, social programs, public investment, the private sector, and cooperatives.

In the search for this efficiency and rationality, we have transformed and cleansed the State's commercial banks to make them more competitive so they can recover the credit they grant and become real supporters of agricultural and social development; not torn sacks into which money is thrown.

During 1992, the commercial banks of the financial system granted 2.452 billion [currency not specified] in credit. In 1993 the financial system's commercial banks will grant 2.805 billion cordobas.

Through this program, long term financing will be given special attention by supporting various projects in the agrarian sector, as well as in the industrial sector, to allow us to lay the foundations for the country's economic development in the middle and long term. Aside from the formal credit granted through the financial system's commercial banks, my government is supporting credit initiatives that the producers may undertake outside the financial system.

We will promote the participation of social, political, and religious organizations in this initiative so the aid they may channel through their programs has a direct effect on production and so the paternalism that sometimes affects that aid diminishes.

Dear Nicaraguans, laying the foundations for a democracy in a country like ours with a long history of war, dictatorships, and so much poverty is a task to be undertaken with love for the fatherland. It demands a lot of patience, sacrifice, and, above all, acceptance of others.

The trauma caused by so many years of dictatorship made us acclimate ourselves to a policy of confrontation, subversion, conspiracies, and mistrust. Now we live under a democratic and free system. My government does not persecutes anyone; inasmuch as we make mistakes, few or many, no one can deny that there is liberty.

Some Nicaraguans, however, continue to act as if they lived under a dictatorship. Let us be more constructive. There can be opposition without endangering peace or the Nicaraguan economy.

Let us dedicate our energy and resources to improving the situation of the Nicaraguan people.

I always think of you, my friends of La Concha and San Marcos. That is why I want to promise you that in the 1994 budget we will include an allotment to pave the road from La Concha to San Marcos. [applause; shouts: "Long live Mrs. Violeta Barrios de Chamorro! Violeta! Violeta! Violeta!"]

I will repeat, just in case you did not listen well: In the 1994 budget, we will include an allotment to pave the road from La Concha to San Marcos. This will improve communications between these beautiful municipalities allowing them to progress and have a better tourist and commercial development.

My government is willing to make changes and to continue promoting its program. We offer respect to our opponents. It is the treatment they deserve. We offer them our opening for the political debate.

Our biggest challenge right now is to believe in all Nicaraguans. We must iron out our differences. We must act and think for the sake of Nicaragua. Only in this way, will we be participating in the reactivation and enjoying the benefits of growth, development, and a sound social economy.

We will expand our business sector. We will support small and medium producers. We will again conquer foreign markets. Let us guide public spending correctly. Let us guarantee the protection of the citizens' rights so that they can produce. Let us give municipalities managerial capacity [capacidad empresarial]. Let us protect our natural resources and let us train our people.

In addition to these aspects which represent Nicaragua's economic and social development, we must bear in mind, my dear friends, our profound respect for and commitment to reconciliation, peace, freedom, [applause] and most of all to democracy and social justice.

Let us place our faith and confidence in God. Let us devote ourselves to our daily work. Let us remember that the sacrifices and hard lessons of the past served to consolidate the democratic path we chose.

Now that we are proudly walking on this path, we will not lose our direction. Let us not become discouraged when things go wrong. Let us always be ready to keep going and resume our march toward the future. Our children demand it from us and Nicaragua deserves it. Thank you, dear friends.

Panama

Report on Arnulfist Party Convention, Results

PA2604014493 Panama City EL PANAMA AMERICA in Spanish 25 Apr 93 p 1A

[Report by Eduardo Soto P.]

[Excerpt] Mireya Moscoso de Gruber was proclaimed on 24 April as the presidential candidate for the ruling Arnulfist Party (PA) in the 1994 elections. More than 450 PA members who attended the party convention agreed to extend her term as party president until 1996.

Guillermo Endara, PA member and current president of Panama, personally proclaimed Mireya (former wife of the late Panamanian leader Arnulfo Arias) as "the new president of Panama."

While the convention participants chanted "Mireya, Mireya" time and again, the president predicted the PA "will be the party to win" the next elections.

Government Minister Juan Chevalier and Education Minister Marco Alarcon warned the Arnulfists are willing to hold negotiations and establish alliances for the next elections, adding those alliances are possible if their party leads the slates. If the alliances are not established, the PA will participate in the May 1994 elections on its own.

"We have enough strength to participate on our own in general elections," Chevalier asserted, while tens of thousands of Arnulfists gathered outside the Rainbow Room at the Boquete Fair grounds in Chiriqui Province--where the special PA convention was held—and chanted Mireya's and Endara's names.

Alarcon said PA's current alliance with the Nationalist Liberal Republican Movement and the Authentic Liberal Party (PLA) may continue only if these parties allow the Arnulfists to lead the slates.

"We will give no other party this place of honor," Alarcon said.

Chevalier and Endara also agreed on this issue. The president of Panama gave a speech at the convention's closing ceremony and said Arnulfists "are the future of Panama" and they represent "an undefeatable force."

A general PA Convention must be held six months before the general elections in Panama to appoint officially Mireya Moscoso de Gruber as its presidential candidate.

During the special convention, Endara and many of his ministers and deputy ministers, as well as legislator Francisco Artola (who was acting PA president earlier in this decade), were appointed members of the PA National Directorate Board, as a result of the resignation or death of certain members.

Endara, Artola, Chevalier, Jorge Pacifico Adames, Guillermo Rolla, Carlos Rodriguez, Deputy Housing Minister Rodrigo Sanchez, Marina Garcia, Juan Carlos Varela, German Vergara, and Francisco Tejada are the new PA Board of Directors members chosen by a majority of the members who attended the convention.

The first six replace Frank Martin, who died; Aurelio Alba, who resigned after he lost the Legislative Assembly presidency to his fellow party members, Lucas Zarak; Hector Penalba, who was forced to resign due to disputes with his fellow party members; Joaquin Castillo, who resigned; Marino Perez, who died; and Salvador Moreno, who resigned.

The PA convention was attended by thousands of party members from all the provinces in the country. It was protected by members of the National Air Service and the Institutional Protection Service. Security measures were increased after a terrorist was killed while trying to place a bomb in the facilities where the convention was held. [passage omitted]

Argentina

Ambassador Designate to U.S. To Give Priority To Economics

PY2704204193 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1426 GMT 27 Apr 93

[Text] Buenos Aires, 27 April (NA)—Raul Granillo Ocampo, who recently was appointed Argentine ambassador to the United States, stated that he "knows exactly what President Carlos Menem wants." He explained that his first task as Argentine ambassador to the United States "will be to improve bilateral economic relations."

Granillo Ocampo, former secretary for legal and technical affairs of the presidency, played down his lack of experience in the diplomatic service by stating that he considers himself "a useful person for the political policy" Menem is trying to implement.

The ambassador designate, a native of La Rioja Province, conceded that he does not have "any special contacts with Democratic Party leaders or government officials" working for the Clinton administration. He stated that this is offset by the fact that he "studied in the United States for many years."

Granillo Ocampo drew a parallel between himself and Carlos Ortiz de Rozas, the current ambassador to the United States, noting that the latter "is a career diplomat and therefore discharges his ambassadorial duties with professionalism."

He pointed out that, "in all likelihood, Ortiz de Rozas lacks the degree of identification [with Menem's policy] I have. It is public knowledge that I identify myself with the president and that I identify myself with his policy to a higher degree than the previous ambassador probably did."

Granillo Ocampo noted that the United States and Argentina clearly are "of the same mind" about foreign policy guidelines, and the latter's "alignment with the former is evinced in political objectives and when voting at international organizations."

Notwithstanding this, he said that, with regard to economic relations, "both countries have failed to reach agreement on certain issues such as subsidies due to opposing interests."

Granillo Ocampo stated that the forthcoming meeting between Menem and Clinton will be "a decisive factor in bilateral relations." He concluded by pointing out that the Condor project "is now dead because a political decision was clearly made on that issue."

UCR Deputies Urge 'Severe' Measures Against United Kingdom

PY2604133993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0120 GMT 25 Apr 93

[Text] Buenos Aires, 24 Apr (NA)—Twelve Radical Civic Union [UCR] deputies have proposed to the executive branch the implementation of severe political and economic measures against the United Kingdom, in reaction to the announcement in London that the 12-mile maritime control zone had been unilaterally extended to 200 miles around the South Georgia Islands.

The main proposals submitted by the deputies of the main opposition party include that of "denouncing the investment guarantees treaty with the United Kingdom and rejecting the entry of British capital into Argentina."

These measures are included in a project signed, among others, by Deputies Victorio Bisciotti, Daniel Salvador, Rodolfo Parente, Juan Pablo Baylac, Gabriela Gonzalez Gass, and Gaston Ortiz Maldonado.

Upon asking the national government to extend a "strong protest to the United Kingdom," the UCR deputies also proposed the withdrawal of Argentine Ambassador to London Mario Campora.

They also proposed "an end to negotiations between YPF [Government Oil Deposits] and the British Gas Company on the exploitation of six petroleum areas in the South Atlantic," and the exclusion of British companies from contracts conducted by the Argentine Government.

The UCR deputies expressed their concern over the "fact that the national government seems to be confused, and that this is reflected in the actions of Foreign Minister Guido Di Tella."

They added that "the Malvinas issue is not being stressed by Argentina at the UN General Assembly."

Consequently, they regretted that the government "has decided to promote bilateral relations with the United Kingdom, disregarding the issue of sovereignty over the islands, with the current obvious results."

Anti-Narcotics Efforts in Region To Increase

PY2604225893 Madrid EFE in Spanish 2006 GMT 23 Apr 93

[Text] Bariloche (Argentina), 23 Apr (EFE)—It was stressed today in the Argentine city of Bariloche that the antinarcotics forces of 26 American countries will redouble their efforts "to break up" the Colombian drug trafficking organizations' economic power.

This goal is included in the final declaration of the 11th International Conference on the Control of Dangerous Drugs that was held behind closed doors for four days.

A decision was also made to carry out "joint actions" to achieve the "total eradication" of coca and poppy crops—from which heroin is extracted—in Peruvian and Bolivian valleys.

The declaration issued by the antinarcotics forces that met in Bariloche, 1,800 km south of Buenos Aires, notes that drug trafficking "has become the main threat" for Latin American democracy.

The "main goals" include "breaking up the wealth and the goods of the Colombian cartels of Cali and Medellin" that are described by the declaration as the "world's leading drug trafficking organizations."

The Bariloche declaration, which follows the DEA's position, stresses that "it is necessary to attack head-on the drug trafficking structures."

In this regard, the declaration endorses the "pursuit" of the drug trafficking bosses by attacking "their cocaine and heroin production capacity, the transportation of these drugs, and their financial networks."

The declaration recommends that security forces "concentrate their efforts on identifying the financial infrastructures of drug trafficking organizations in order to dismantle them."

The declaration also promotes the establishment in each American country of "groups to fight the laundering of drug trafficking money and to confiscate the goods" of those involved in the drug trade.

Conference sources said DEA representatives, headed by DEA Director Robert Bonner, advocated the need to attack the economic power of the Colombian cartels.

In this regard, the conclusions of this conference mention the need to "work on reforming the laws in order to change the evidence required" in drug trafficking cases.

The proposed legal reform is that those suspected or indicted for drug trafficking not be allowed to receive the benefit of presumed innocence.

In this regard, the declaration points out that the alleged drug traffickers "should be asked to demonstrate that their goods were purchased with legal money."

The proposal raised at the conference notes that the money or goods confiscated from drug traffickers must serve "to create a fund in each country," aimed at financing drug trafficking or money laundering investigations.

The Bariloche declaration also recommends the American countries "develop in a more coordinated manner" their joint drug enforcement tasks.

Mentioning that "police actions may only be successful through coordination and cooperation," the declaration notes that most drug trafficking organizations "are, by nature, of an international and corporative type."

The declaration notes: "The exchange of information is necessary in order to identify the organizations that transcend the borders and make them more vulnerable."

Plans Revealed To Privatize Military Aircraft Factory

PY2704182293 Buenos Aires CLARIN in Spanish 26 Apr 93 p 21

[Text] [Defense Minister] Oscar Camilion will change the Cordoba Materiel Area [Area Material Cordoba] (AMC), which manufactures the Pampa airplanes, into a corporation. Camilion will do this through a decree. He plans on investing $10 million to prepare the industrial plant. Camilion's goal is to pass, with an excellent rating, an inspection to be carried out by U.S. Army officials interested in purchasing the Pampa training airplanes.

[Cordoba Governor] Eduardo Angeloz met with Camilion on 21 April. The fate of AMC was the main issue on their agenda. Defense Ministry sources said that the Cordoba governor eagerly wanted to know how the Defense Ministry planned to reactivate the company.

So far AMC is just another Air Force operational unit. AMC's current legal structure would prevent any attempt to introduce changes.

The Defense Ministry intends, by changing it into a corporation, to allow private capital to invest in the company, or to sell it outright. The Air Force people have already made it known that they want the state to keep a percentage of the shares.

Camilion has yet not decided how the private capital will be incorporated. Nevertheless, whatever the final decision, the corporate change was an unavoidable step.

Beyond format, the change in legal status will permit the Defense Ministry to control the company and decide on when and how it will be privatized, a task that without the proposed change was reserved for brigadiers alone, because the AMC is an Air Force property.

Reopening the airplane assembly line allowed the Air Force command to consider this change. The Pampa airplane, which is competing with Brazilian, Italian, and British airplanes, is one of the three airplanes selected by the U.S. Air Force to train its pilots. The decision on which of these airplanes is to be selected is expected during the third quarter of this year.

U.S. officials are imposing a condition on the three interested parties: At the time the decision is to be made, the factory manufacturing the selected airplane must be operating. The local brigadiers' main concern is that AMC is virtually paralyzed. A U.S. delegation will arrive in our country in June to examine in situ the Pampa airplanes' entire manufacturing process.

Camilion Downplays 'Confrontation' With Cavallo

PY2604224393 Buenos Aires BUENOS AIRES HERALD in English 24 Apr 93 p 1

[Text] (DYN-NA)—The Armed Forces' recent pronouncements over its financial difficulties simply demonstrate "concerns and needs" and are not intended to put pressure on the government, Defence Minister Oscar Camilion insisted yesterday after meeting with Army chiefs, headed by Army Chief-of-Staff Martin Balza.

According to the minister all meetings have revealed "similar" difficulties caused by lack of funds, an issue that was highlighted last week when the Air Force cancelled flights by Lineas Areas del Estado (LADE) to Patagonia.

In a joint press conference later, Camilion explained the military's deep concern about the current situation, but said recent statements had not been made to put pressure on the government into providing funds.

Like all ministries the defence portfolio has been ordered to make a 10-percent budget cutback, which Comilion faced as he took office three weeks ago. He yesterday denied he had had a confrontation with Economy Minister Domingo Cavallo over a budget increase and said the ministries "are discussing the relative budget figures for the third quarter of this year.

"The conversations are very rational and reasonable," Camilion insisted, telling journalists, "as a young man I wrestled, now I negotiate."

Balza said the meeting "not only touched on the budget question but also on the basics of the reorganization and restructuring procedures."

In the afternoon, Camilion faced a call from the Pecifa Armed Forces civilian personnel union, whose members demanded an urgent pay increase. During a meeting with the minister union leaders said current monthly wages range from 200 pesos to 600 pesos and have been static since March 1991. They also urged the minister "not to cut back hours or places of work." The union is scheduled to have a general meeting at the end of this month.

New Supreme Court Chief, Deputy Chief Justices Elected

PY2604161093 Buenos Aires BUENOS AIRES HERALD in English 24 Apr 93 pp 1, 11

[Text] (DYN-NA)—After a long internal debate that left several other leading candidates by the wayside, Justices Antonio Boggiano and Rodolfo Barra were elected the new Chief Justice and Deputy Chief Justice, respectively, of the nation's Supreme Court.

Court Press Secretary Ricardo Arcucci announced early this afternoon that after a flurry of meetings this morning, Boggiano and Barra had emerged victorious in the struggle to name the justices who would lead the court for the next three years. Boggiano won the support of five of the nine members of the High Court—including four of the five justices who had up until hours before favoured current Chief Justice Ricardo Levene—while six voted for Barra to serve as the second-in-command.

In addition, the court voted to eliminate the post of second deputy chief justice occupied until yesterday by Barra.

In his surprise election, Boggiano edged out several other contenders pegged as more likely to lead the court. The two front- runners had been Levene and Barra's predecessor as deputy chief justice, Mariano Cavagna Martinez. Court sources indicated the body had had to seek out a third candidate when it became apparent that neither Levene nor Cavagna Martinez could attain a majority.

Boggiano was one of the last justices to be named after President Carlos Menem expanded the court to nine from five members and is considered by observers to be an apolitical man who has little interest in pomp and circumstance.

The new court chief's speciality is said to be private international law, an area in which he tends to vote independently. Court sources added that Boggiano is more likely to vote with the majority on penal code and federal issues. Boggiano and Barra are known for their devout Catholicism. The latter is a member of the Opus Dei lay organization, while both men teach at the Argentine Catholic University.

Barra served as the public works and interior ministers during the Menem administration before joining the court in 1990.

Alleged Ex-Nazi 'Intelligence Agent' Found in Bariloche

PY2704223093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1526 GMT 23 Apr 93

[Excerpt] Buenos Aires, 23 Apr (NA)—Israeli intelligence services have located an alleged former Nazi army intelligence agent identified as Reinharo Kopps. Kopps and his wife have been living in San Carlos de Bariloche for the past 40 years.

According to a report published by the newspaper "AMBITO FINANCIERO," Kopps lives under the false name of Juan Malor. The report adds that Kopps lives at 455 Tucuman Street, where he owns the Campana Hotel.

The Israeli intelligence services sent agent Rick Eaton, who was able to talk with the former Nazi officer by "pretending to be an Australian millionaire willing to finance neo-Nazi organizations." [passage omitted]

Police Say No Arrest Warrant Issued

PY2704230293 Buenos Aires TELAM in Spanish 1300 GMT 24 Apr 93

[Excerpts] Buenos Aires, 24 Apr (TELAM)—Federal Police reported today that "no international arrest warrant" has been issued against Juan Reinhard Maler [name as received] who, according to a newspaper report published yesterday in Bariloche, has been allegedly identified as former Nazi intelligence agent Reinhard Kopps.

The official report issued by the Federal Police Press Office states that the pertinent investigations were conducted with Interpol "in view of newspaper reports on the residency in San Carlos de Bariloche of a person who reportedly was a high-ranking officer in the German Army during World War II."

The report adds that "Maler's true identity has not been established yet." [passage omitted]

In an interview granted to a Bariloche newspaper, Maler said the charges are false. He added that he has written more than a dozen books, none of which "have anti-Semitic content or have ever been banned."

Brazil

Franco Discusses Economic, Foreign Policy

PY2804013393 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 27 Apr 93

[Passages within quotation marks are recorded]

[Text] In a speech delivered this morning during a diplomats' promotion ceremony at the Foreign Ministry's Rio Branco Institute in Brasilia, President Itamar Franco said the construction of a more just society calls for the reactivation of growth.

The president criticized false modernization, which causes misery:

"A central objective that has guided each action of my government is the construction of a more just society. I am convinced that recession and unemployment can drive us away from this goal. Consequently, since the first day of my term I have opposed false modernization, which produces misery with economic recipes that always postpone development.

"Some people have claimed that this position—my opposition to exclusionary modernization and my idea that the country's problems will be solved only by reactivating growth—reflects an attachment to the past. But nothing can be as inaccurate as this.

"Even if attached to the past, we have persisted in our efforts to prevent leaving the people outside the benefits of progress. But those who criticized us could not understand that people cannot achieve economic progress in disorganized, archaic societies.

"I am committed to the reforms that are necessary for finding the path toward development with social justice. I trust we will enforce them, with the support of Congress."

President Franco also outlined the Brazilian foreign policy priorities:

"The defense of multilateral decisions on major international political and economic issues, at the appropriate forums, and more openness and democratization in the making of international decisions.

"The strengthening of the multilateral system of commerce, which can be achieved through satisfactory completion of the Uruguay round of talks, on which so many years of negotiating efforts already have been spent.

"The consolidation of our regional integration process, which has opened new prospects and opportunities in the economic and commercial fields, and which will strengthen the political support that we may have to back our viewpoints in the international arena.

"These areas of Brazilian diplomacy will lead to the construction of a new international system that will be more equitable and will more expeditiously meet developing countries' needs."

President Franco added that the country wants integration, but it is necessary to increase the value of our own region:

"Latin America, especially South America, has always been and should continue to be a privileged area for our foreign policy.

"We should not merely implement Mercosur [Common Market of the South]. The success of Mercosur, in terms of closer political ties among its members, in terms of consolidation of democracy, and in terms of increased competitiveness, is an example that has to be properly appreciated. It is an initiative that cannot be subordinated to the fluctuations of economic or political contingencies.

"In other regions, our bilateral relations represent major assets to be preserved and enriched.

"Our relations with the United States preserve their own degree of weight and importance. Because of the obvious weight of the United States in the international arena, and because of the intensity of our relations, our ties with the United States—which today is our main individual partner—should be marked by the fluency and maturity of dialogue."

President Franco also advocated promoting integration with Southeast Asian countries:

"Relations with the emerging economies of the Pacific deserve special attention. There is a lot to be done in terms of concerted efforts.

"(?With Japan) we have to develop [words indistinct] for cooperation.

"Issues like sustainable development, human rights, and disarmament, which are under permanent, intense multilateral debate, call for transparent, clean, and nondiscriminatory attitudes with the international community's support, based on multilaterally agreed-upon rules."

President Planning Cabinet Reshuffle

PY2704023093 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 26 Apr 93

[Text] Federal Counsel General Jose de Castro, one of President Itamar Franco's advisers, is on his way out; however, the president will ask him to stay a bit longer to carry out a few tasks. One of these tasks is the writing of the messages that will accompany the presentation in Congress of the provisional measures and the 13 bills that make up the economic plan which was released on 24 April. The president also wants De Castro nearby for his next step, which is the cabinet adjustment—that is, a small-scale cabinet reshuffle involving five or six ministers. The resignation of Orestes Quercia as president of the Brazilian Democratic Movement Party [PMDB] has had an effect on the projected cabinet reshuffle. The president had intended to get the PMDB more involved in the administration. Now this intention has gained strength. The president also wants closer ties with the Brazilian Social Democracy Party and the new party, the Progressive Renewal Party.

Foreign Minister Cardoso Interviewed

PY2804170893 Rio de Janeiro O GLOBO in Portuguese 26 Apr 93 p 1

[Interview with Brazilian Foreign Minister Fernando Henrique Cardoso by O GLOBO reporter Jorge Bastos Moreno in Brasilia; first four graphs are introduction; date not given]

[Text] No one in the administration has any doubt that Foreign Minister Fernando Henrique Cardoso is President Itamar Franco's strongman. Some even say he is being groomed as the government candidate to succeed President Itamar Franco.

The truth is that Cardoso was more involved than any other minister during the past two weeks in preparing the government program, which does not even contain any decisions relating to his specific field of action. Looking tired after this period of heavy negotiations, Cardoso talked to O GLOBO shortly before leaving for his ranch in rural Minas Gerais State. He believes the president must now reshuffle his cabinet to secure congressional support.

Cardoso's work was not limited to helping Franco's administration with its program. He also had to act as fireman over Planning Minister Yeda Crusius' decision to resign prior to the cabinet meeting on 24 April. This victory may be only partial because in private he admits that he may well have merely postponed the resignation.

He won a great victory, however, by convincing President Itamar Franco to abandon his idea of asking for the cabinet's collective resignation, as proposed by Mines and Energy Minister Paulino Cicero who belongs to the same party as Cardoso.

[Bastos] Is this the real beginning of the administration of President Franco?

[Cardoso] I believe a coordinated administration is now beginning. Before there were ideas and requirements. The administration was tuning up the orchestra. The course is now set. The finance minister announced an open game. The accounts are there for all to see. No one can now say they do not know. Everyone knows where the money is, how much there is, how much is owed, how and what it will be used for. If in the future, somebody wants to implement monthly salary adjustments, as people have been proposing, he will have to say where the money will come from because the accounts show that there is no money. This information makes it easy to reach an agreement on what can and what cannot be done, unless one wants to be unrealistic and start issuing currency. The economic plan is based on the premise that it will allow us to attain zero deficit without issuing any currency. On those terms the plan that has been released has its limitations. It proposes, for example, building four power plants. No more power plants can be built, just four.

[Bastos] You have just acknowledged that this is the real beginning of the Franco administration. Does the government need to reshuffle the cabinet to provide a congressional base and thus secure support from the parties?

[Cardoso] I believe so. I believe a congressional base must be better coordinated. For example, some parties have cabinet ministers in the administration and yet these parties vote against the administration. I believe this is unacceptable. I believe there is no room for this kind of thing. It is understandable for some people to vote, occasionally, against their parties for reasons of conscience. But can the entire party vote against? That is not possible. I also believe that the president should not miss the opportunity to make some changes. Now is the time to make these changes. The other changes may come later to get rid of incompatible people. The administration cannot zigzag. It must be very active this year. I believe the president should make some changes in the administration.

[Bastos] Should this cabinet reshuffle you advocate take place right now or can it wait a while?

[Cardoso] I see no emergency that would justify doing it right now. If the president were to ask my opinion, however, I would tell him that there is no point in postponing it too long. Any minister, any official, anyone doing a job needs to be at ease. The best course would be to treat the issue in the same straightforward way used for the economic plan.

[Bastos] What aspects should the president consider when making cabinet changes?

[Cardoso] Political and administrative aspects. I believe he should see which political forces... But first let me say that the Brazilian Social Democracy Party makes no claim. We do not want to increase our participation or anything like that. I believe, however, the president must take political support into account. He should also consider administrative efficiency.

[Bastos] From what is known, the idea of collective resignation came from the office of the president and you helped to scuttle it. Why did you do that? Was it not the best way to facilitate cabinet changes?

[Cardoso] It is not that I opposed the idea, I simply gave the president my opinion and he accepted it. I was not the only one.

[Bastos] Was a list of new ministers was being handed around?

[Cardoso] Yes. I stated: There can be no collective cabinet resignation in a presidential system. It is up to the president to dismiss ministers whenever it is reasonable to do so, whenever he believe that the minister is not doing his job, or whenever the minister is uncomfortable with the line of action the administration takes. I believe the proper course is to take it up with the one, two, three, or more ministers who are not working out for political or administrative reasons. The two basic reasons are valid: If a party is not supporting the administration in Congress, that is a political reason and ministers from that party cannot remain. If a minister is incompatible with a government program being executed, that is an administrative reason for leaving.

[Bastos] Has any other minister who believe in this approach sought you out?

[Cardoso] No, I have not been sought out by anyone.

[Bastos] Not even by Minister Paulino Cicero, who is a member of your party and who was collecting signatures?

[Cardoso] I talked with Minister Paulino Cicero, whom I like. I called him. I am sure he took action after asking other people and has done so in good faith.

[Bastos] Did you take Planning Minister Yeda Crusius' letter of resignation to President Itamar Franco?

[Cardoso] I will tell you what happened. I had dinner with Minister Crusius on the eve of the day when the rumor started going around. She was concerned because, although she was not directly involved in the economic program, every one of Minister Eliseu Resende's proposals took into account her and her team's technical work. The next day I attended a ceremony during which one of her advisers gave me an envelope which contained the reasons for her concern. This was seen as a letter of resignation. I went to Government House and talked with the president about something else. Minister Crusius also arrived at Government House but did not discuss the matter with the president nor did she give him any letter. There was no letter of resignation. That is all there is to it.

People say there is no smoke without fire. That is true. The situation is that the minister did not feel comfortable and she expressed her viewpoint. I am sure that she will talk with the president but I do not know what her decision will be, or his for that matter.

[Bastos] This means that it is not sure if she will stay in the cabinet?

[Cardoso] As far as she is concerned that is so. As far as the administration is concerned I can assure you that the president, with whom I talked a short while ago (on the afternoon of 24 April), has no objections to Minister Crusius, quite the opposite. She did not attend the meetings because of their nature. I was there not because I am a minister but because I have political influence and the president trusts me. I was there to hear the conversation between the finance and economy minister and the president. The same goes for the justice minister. We were the only two that had a broader participation in this matter.

[Bastos] Do you think that the new government plan will enable the president to stem the offensive launched by presidential hopefuls?

[Cardoso] Yes, I think so. I think the meeting was most timely because there was much speculation about the government's policy- making; speculation over what would happen in the next year and a half, made in a vacuum, and therefore meaningless. Things have now changed, our opponents may now criticize what the government is doing but they will no longer be able to criticize it for what it is not doing. Now everybody knows what the government is doing.

[Bastos] Given the fact that you are part of the government's decision-making process, don't you think you have your hands tied as your party is seeking an electoral alliance with the PT [Workers Party], which is openly against the present government?

[Cardoso] I think we should not discuss that issue now. The PSDB [Brazilian Social Democratic Party] is not seeking to strengthen its alliance with the PT. On the contrary, it is trying to select its own candidate. The PSDB was disappointed with the way the PT handled the parliamentary system of government, especially the way [PT leader Inacio] Lula [da Silva], who had always said that he supported a parliamentary government system,

ended up by publicly siding with presidentialism. I have repeatedly heard the PT say it wants an alliance with the PSDB, but under their conditions: We can do whatever we want provided we follow the rules set by the PT. The starting point is always the same—Lula da Silva must be the presidential candidate and the rest is for us to decide. One cannot make political alliances under these terms. The fact that Lula da Silva must lead the party ticket does not leave one much leeway for political negotiations and gives the sensation that the elections have already been won. Like that, it is quite unlikely one will actually win.

Finance, Economy Minister Outlines Plan

PY2604165093 Rio de Janeiro TVE Television in Portuguese 1348 GMT 24 Apr 93

[Speech by Brazilian Finance and Economy Minister Eliseu Resende during a cabinet meeting at Planalto Palace in Brasilia to present the new government economic plan—live]

[Text] Mr. president, messrs. ministers, ladies and gentlemen: Within the directives issued by the president a program has been elaborated with the support of ministers, different industry leaders and particularly with the support of Planning Minister Yeda Crusius, who supplied the basic information necessary to draw up this plan.

This plan seeks to reconcile a program of economic stabilization, a program of incentives for specific sectors of the economy, and a program against hunger and misery through socially oriented measures.

The economic stabilization program will follow the following basic guidelines by:

1. increasing public revenues without amending the current tax laws;
2. strictly allocating available resources to the most urgent social programs and priority investments;
3. obtaining a primary surplus in the government federal accounts at a level that will cover the interest on both the domestic and foreign debts so as to balance public accounts in keeping with the principle that one does not spend more than one collects;
4. extending this principle within state-owned companies by demanding from them productivity, the reduction of expenses and the proper selection of investments strictly in keeping with company objectives and financial requirements;
5. a strong reduction of the state's presence in the economy through an accelerated broadening of the privatization program, while respecting constitutional principles;
6. a short-term solution to the foreign debt problem in accordance with the terms approved by the Federal Senate;
7. the administration of the domestic debt and a fast solution to its costs.

The specifics of the fiscal adjustment we propose are outlined in the paragraph attached to my statement. The president of the nation has authorized me to release it.

The paragraph shows the government's effort to raise real income by almost 20 percent compared with fiscal year 1992, based on what has already been collected.

This increase in revenue will allow the strict fulfillment of commitments with Brazilian workers and pensioners. The granting of salary adjustments to public employees, the new minimum wage law and the president's decision to pay what was owed to the pensioners have increased government expenses by 28 percent compared with the last fiscal year.

These socially-oriented measures represent almost 75 percent of Federal Government general expenses. The remaining 25 percent will be allocated to priority programs in education, research, school nutrition and health, incentives for agriculture and exports, and housing and road repairs.

As a result of the current economic stabilization plan, total net expenditures on interest payments will be reduced by 18.5 percent compared with 1992 and will employ just 11 percent of net revenues.

State companies will reduce by 10 percent all costs other than personal services and taxes. As a result of increased efficiency and productivity, state-owned companies will be able to pay their financial obligations and invest in electric energy production and distribution, prospecting and refining of oil, telecommunication systems and port facilities.

The Finance Ministry will carry out an urgent and intensive program to fight tax evasion. On orders from the president of the Republic, tax evaders will be pursued. The government is also submitting to Congress a provisional measure to encourage the payment of taxes and the elimination of law suits against tax evaders through the reduction of fines, the payment of taxes in installments, and a reduction in legal fees.

Regarding the conflicts related to Social Security Contributions, Cofins, which has deeply harmed the collection of revenues for health, and social assistance envisaged in the food program for school children, and the government's plan to resort to constitutional rights in accordance with Article 102 of the Federal Constitution to respectfully request from the Federal Supreme Court a decision on this issue.

The government is, on the other hand, determined to broaden and speed up the privatizations program, seeking an immediate reduction in the public internal debt in order to be able to invest in priority fields such as health, science and technology, public security, and the environment. To that end the following measures will be adopted: First, the immediate sale of direct or indirect state minority participation in more than 1,000 companies. Second, an accelerated privatization process for

companies already included in the National Privatizations Program, including state companies in the fields of metallurgy, the petrochemical industry, and fertilizers as well as companies in the fields of transportation and mines. Third, the broadening of the privatization process through the sale of shares of large companies that operate in energy, communications, mines, and metallurgy without loss of company control in almost all the cases such as:

1. total privatization with transfer of control of the Light [Rio de Janeiro State Electricity Company] and Escelsa [Espirito Santo State Electricity Company] energy distribution companies of Rio de Janeiro and Espirito Santo, respectively, which are already included in the Privatizations Program.

2. request Congress permission to allow private investments and the sale of shares in nonstrategic companies. The government will send legislation to Congress permitting fuller participation of foreign capital in nonstrategic companies, and the use of resources resulting from the sales of shares to mortgage the government public debt in the form of bonds in the hands of the public.

Considering the internal debt in the hands of the public is less than one third of the entire state investment in public companies, and considering the effects of this debt which increases interest rates and fuels inflation and recession, the measures to replace unnecessary assets to enable the state to fulfill its mission of curbing inflation are understandable, encouraging the economy to grow and answering the most critical social needs.

This program is expected to get the support of Congress and of the representative sectors of Brazilian society. The government will strictly carry out a program to manage its debt, the debt of the public sector. It will begin by taking care of its foreign debt problem.

Brazil has reached bilateral agreements on the debt with almost every creditor country in accordance with a basic agreement with the Paris Club and is paying on time the commitments made in this agreement. Brazil is also concluding negotiations with creditor commercial banks. The term of the basic agreement approved by the Senate foresees the payment of the debt principal totalling about $56 billion by 2023 and reducing interest rates to below those of the international market

The successful conclusion of the current negotiations and the signing of agreements with creditor banks put Brazil back in the international economy and broadens financial, commercial, and technology transfer activities with greater internal and external credibility. The moment Brazil shows a favorable position in its balance of payments, with exports showing a surplus and a positive exchange reserves situation, the country will be able to service the foreign debt in foreign currencies with relative facility and have a valuable instrument of economic policy through which to solve internal problems. The solving of the foreign debt problem will attract foreign financial investments and reduce short-term domestic interest rates.

On the subject of domestic debt, the signing of agreements with international creditor banks will herald the transfer to the Treasury of resources deposited in the Central Bank by the original debtors amounting to some $35 billion, with the corresponding redemption of securities for the same amount in the Central Bank portfolio, thus settling a substantial portion of the domestic debt and establishing a more fluid relationship between the Treasury and the Central Bank. Moreover, the real interest rate paid to reschedule the government domestic public debt, which in October 1992 amounted to about 30 percent per year has, during our administration dropped to about 20 percent per year. The economic stabilization program, by decision of the president of the Republic, seeks a greater reduction of interest rates and better conditions for the natural rescheduling of the debt, which will be attained with the cooperation of the national financial system.

We have just demonstrated that the government debt in the hands of the public, beside being reduced in terms of the Gross Domestic Product, GDP, is perfectly administrable and it does not exceed our capability to honor it.

For this reason, now that the government of President Itamar Franco is seeking to balance the fiscal accounts and apply a vigorous program of transferring assets to reduce the financial liabilities, the cooperation of the financial market operators is essential.

By order of the president of the Republic, next weekend I will be in Washington presenting the general guidelines here described of the Federal Government Economic Stabilization Program and to inform the industrialized countries, international development agencies, and the IMF of the efforts by Brazil to solve its social and economic problems.

The government once again requests the support of Congress and the state governors to approve, as soon as possible, the bill that establishes the rescheduling of the state debts within the terms of the executive branch message to rationalize the national financial liabilities.

The National Economic Stabilization Program is associated with the Partial Economic Incentives Program.

The identification of non-inflationary financial resources will allow the combination of the National Economic Stabilization Program with the promotion of production increase, seeking solutions to essential infrastructure programs.

Considering the most agile production sectors, the most urgently needed investments, and the sectors with greatest job-generating capacity, we have decided to prioritize the following fields:

1) Agriculture Support Program;
2) Emergency Financial Program for Housing

3) Highway Recovery Program
4) Energy Program

With regard to the Agriculture Support Program, it must be pointed out that Brazil has a great rural vocation and is one of the last agricultural frontiers on earth. Many public mistakes and wrong decisions have harmed the capacity of our agriculture and caused a long recession that dramatically affects the social network.

Agriculture must play a strategic and essential role in our development given its multiplying effect on the rest of the economy.

The program for the rural sector has the following objectives: To increase production for internal and external markets and to increase the employment rate in rural areas to reduce the migration flow to the cities, to expand the supply of food, and to combat hunger and misery.

The promotion of quality and productivity through special treatment to small producers will encourage harvests of basic foodstuffs. The use of public buffer stocks will revitalize the social supply programs.

The credibility of the agricultural policy must be restored without fail and for this we must review some issues like: the development of technical research; improvements in productive infrastructure; storage and transportation; satisfactory levels of credit assistance; credit guarantees at the right moment; clear and stable rules; interest rates and tax system compatible with farming activities; and maximizing the potential of existing markets to modernize the commercial system.

The government will exert full control on food stocks to prevent their deterioration and to determine their appropriate use before they go to waste. The following measures have been urgently adopted:

First: Resources to rationalize interest rates that will be used to finance basic agricultural products. This really means a subsidy on interest rates. This will apply to products like rice, beans, corn, manioc, and sugar cane. Some $300 million will be allotted for this purpose from the Treasury.

The rationalization of the prices of agricultural products by using a further $300 million from the Treasury.

Financing the 1993 winter harvest by using $250 million from the rural credit lines of the Bank of Brazil.

Marketing the 1992-93 harvest, using $700 million from rural credit lines of the Bank of Brazil.

Financing, renewing, and guaranteeing sugar cane production using $1 billion of a rural credit line granted by the Bank of Brazil, of which $500 million will be used for production costs and $500 million for the establishment of strategic stocks. Two thirds of these resources will be used in the central-south, and one third in the northeast.

Financing, marketing, and investments in coffee production using Funcafe [Coffee Foundation] resources amounting to $860 million.

Investments in agriculture, including a soil liming and ph- correction program, the renewal of machineries and equipment, and the construction of storage facilities at the farm level. Some $1.4 billion will be used for this purpose. These resources will come from the Rural Finame [Rural Fund for Financing Machinery and Equipment], from the Constitutional Funds, and from investments from the private sector, especially through understandings the Bank of Brazil is already developing with pension funds.

A draft bill to solve of debts of the old Proagro [Agriculture and Livestock Activity Support Program] with producers, using $20 million from the Treasury and $180 million from issuing debt bonds to the banks.

We will also extend to 15 December the Federal Government Loans [EGF] for the 1991-92 harvest.

The government will submit a draft bill for the implementation of social nutrition programs with resources amounting to $10 billion from the Treasury.

Government food stocks will be used in social programs and in the National Nutrition Program for School Children.

A solution to disputes over the new Proagro.

The recovery of credibility of the policy of guarantees for minimum prices.

The revision and regulation of the settlement premium.

And finally, a study, in addition to the revision of the agricultural policy instruments and the broad and immediate control by the Bank of Brazil, of stocks linked to the federal government loans and acquisitions by the federal government, resorting to the federal police when deemed necessary.

A study will also be conducted on the system of relating products to rural financing, that is, the de-indexation of agriculture and the concession of financing, and the payment of those financing in accordance with the product.

Under this system the TR [Reference Interest Rate] will no longer be related to agricultural financing and incentives to the producer.

The following is the Emergency Housing Financing Program.

The priority level of the housing program stems from the need to generate employment, from the provision of shelter for low- and medium-level incomes to the multiplying effects of the economy.

The main operational agent of the program will be the Federal Savings Bank [CEF].

The CEF will be strengthened by streamlining it, by paying its debts to the Treasury and to public federal companies, amounting to 84 trillion cruzeiros. This will be done at the exchange rate current in March, and will benefit the Central Bank to the tune of 33.4 trillion cruzeiros.

Moreover, the CEF is adjusting its administrative and operational structure to provide the economic and financial balance that will help it become the main agent, together with the Social Security Ministry and the Housing Emergency Financing Program.

This program is intended to meet the demands of low-income Brazilians, those who earn up to three times the minimum salary, of medium-low income, those who earn between three and eight times the minimum salary, and of the middle class, those who earn more than eight times the minimum salary.

To implement this plan, funds in the order of $2.6 billion—including $617 million for low-income people, $507 million for middle-income people, and $1.5 billion for the middle class—will be allocated.

The funds for the first subprogram, totalling $617 million, will be supplied by the Provisional Tax on Financial Operations [IPMF].

The second subprogram will be financed as follows: $103 million from the IPMF; $147 million from the Social Development Fund; and $257 million through the issuance of Federal Savings Bank short-term mortgage bonds through Brazilian Savings and Loan System [SBPE] agents, using special earning deposits funds.

The third subprogram, intended for the middle class, will be financed through savings books funds and other financial market funds through SBPE agents.

To make it viable and encourage SBPE agents, the government will:

1) Draw up new rules and regulations for investments in the financing of housing and create mechanisms to encourage increased SBPE activities and;
2) Reformulate the Plan of Salary Equivalence by Professional Category [PES/CP].

The first group will be implemented through National Monetary Council resolutions.

The second group will depend on a provisional measure to create a new Salary Equivalence Plan, will cover all segments involved, will guarantee all borrowers that their loans will not exceed their original income commitments, and will guarantee financial agents a full repayment of their invested funds.

Here again, concerning the investment of, of... [changes thought] housing loans, the TR, or any other index, will not be applied. Loans will depend on the salary of the borrower.

The economic and social benefits of the three programs may be assessed as follows:

1) The construction of 233,000 houses this year;
2) The improvement and urbanization of 205,000 houses, also this year;
3) The provision of housing for 438,000 families, some 2.2 million people; and
4) The creation of 345,000 direct jobs and 1.38 million indirect jobs.

According to the explanation given, for the Housing Emergency Financing Program to be fully successful, Congress must approve, as soon as possible, the bill implementing the IPMP.

The third program involves the Economic Sector Encouragement Program and the Highways Recovery Program.

To implement a basic federal highways maintenance program, the government will implement measures including the following:

1) Regular transfers of funds from the collection of the tax on petroleum imports; and
2) The resumption of toll collection on highways with heavy traffic, directly or through concessions to private enterprise.

The Transportation Ministry will promote studies that will be submitted for the approval of Congress to reformulate the highway network so as to achieve a better distribution among the three branches of government over the construction and maintenance of highways.

The government will allocate $590 million this year to the Highways Recovery Program. The money will come from the tax on oil imports. The government will supplement this with funds from World Bank loans to repair 6,000 km of highways per year.

The next program refers to the energy-producing area.

The new laws will grant more flexibility to the electricity generating industry and grant the private sector the required conditions to participate in it as soon as Congress approves a concessions bill on public services.

In the short term, the government will streamline public services rates in accordance with the new laws and take the necessary steps to ensure more private sector participation in these services. The government will thus begin the privatization process for companies that distribute electrical energy in the states of Rio de Janeiro and Espirito Santo.

The government will also adopt measures related to the National Treasury's direct participation in Furnas [Furnas Electric Power Plants, Inc.] capital to enable the government to sell shares to the people without losing its control over the holding [preceding word in English] comprised of Eletrobras [Brazilian Electric Power Company Inc.] and its subsidiary, Furnas. The government

will thus continue to channel the holding's resources to the payment of part of the national internal debt.

Through increased tax collection, the Eletrobras group of companies will again have resources to resume investment, which will be used to finish constructing the hydroelectric plants called Xingo (in the Northeast), Samuel (in the North), Corumba (in the Center- West), and the Jorge Lacerda thermoelectric plant (in the South).

The final measure refers to President Itamar Franco's request for special measures to fight poverty and hunger. President Franco believes this fight must be the government's top priority. The problem of hunger and poverty in Brazil, which dramatically affects nearly 20 percent of the people, represents a special challenge and has ethnic and moral connotations. The government must resolve this problem through strong measures, which must be supported by society as a whole.

The wicked combination of high inflation rates and economic stagnation generates unemployment and marginalizes less-qualified workers. As a result of constantly increasing prices, those with the lowest income are excluded from indispensable goods and services, preventing these people from owing a home, eating well, educating their children, or having adequate health assistance.

The policies required to stabilize the economy and resume growth, which are contained in the governmental economic plan, are the central nucleus of the medium- and long-term actions proposed by the government in an attempt to solve the hunger and poverty problem and face this huge social challenge.

The definitive solution of these problems can only be achieved through the creation of jobs, the establishment of better income distribution, the urgent resumption of economic development on firm and sustainable bases, and the implementation of an agrarian reform.

The areas that will become more dynamic through the resumption of growth must be those that more closely benefit the low-income groups by creating jobs and favoring the production of the most essential consumer goods.

Within this context, the strategic program should entail:

Agricultural development with emphasis on products like rice, beans, manioc, corn, sugar cane, and milk;

Civil construction industry devoted to the construction of homes and the repair of highways;

Labor-intensive industries;

Decided support for small- and medium-sized enterprises;

Moreover, actions which in the short term will provide for the needs of millions of Brazilian citizens who live in chronic misery and hunger must be simultaneously implemented.

These actions must cover the acute need of food and health for the have-nots. For this the following programs must be intensified:

The National Nutrition Program for School Children will be decentralized to make it more effective by reducing costs and extending its services.

Increase supply of foodstuff in the outskirt areas by expanding the Somar Rede [government food market chain] that will distribute the available stocks of the Conab [National Supply Company]; [unidentified reporter interrupts transmission]

[Sao Paulo O ESTADO DE SAO PAULO in Portuguese on 25 April, Economic Section page 8—which carries text of Minister Resende's speech—continues with the following:

"The National Supply Company will;

Increase the production of essential agricultural products through programs to promote agricultural production;
Promote health care by placing emphasis on health prevention programs—cholera, yellow fever, verminosis, and other endemic diseases;
Implement special support programs for the government owned Santa Casa de Misericordia hospitals;
Implement special program to supply milk to needy children and expecting and breast-feeding mothers at health and other assistance centers;
Implement the National Integrated Assistance Program for Children and Teenagers."] REF: py2604165093 and adds rio de janeiro tve portuguese 241348

—finance, economy minister outlines plan

Sao Paulo Businessmen Pleased With Government Plan

PY2704014893 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 26 Apr 93

[Speakers identified by screen captions]

[Text] Many businessmen believe that recent government measures can end recession and foster economic growth. The atmosphere at the Sao Paulo State Federation of Industries [FIESP] is very optimistic.

[Begin recording] [Reporter Paulo Panayotis from Sao Paulo] Rather than addressing internal matters, the FIESP meeting on 26 April served to demonstrate the businessmen's total support for the economic measures that the administration released this weekend.

The businessmen were euphoric, mainly because the government did not release a package, an economic freeze, but rather resorted to measures which, according

to FIESP President Carlos Eduardo M. Ferreira, are a veritable manual of common sense.

[Ferreira] The measures that have been proposed are all feasible and realistic. There are no shocks, packages, or fireworks for demagogical purposes. We believe these measures have everything going for them. [end recording]

Planning, Agriculture Ministers Replacement Rumored

PY2604224593 Rio de Janeiro O GLOBO in Portuguese 25 Apr 93 p 1

[Text] Agriculture Minister Lazaro Barbosa will be replaced on 29 April, upon his return from the United States, where he has gone to discuss foot-and-mouth disease control. His replacement will be Curitiba Mayor Jaime Lerner, who has been nominated by Industry, Commerce, and Tourism Minister Jose Eduardo Andrade Vieira. Planning Minister Yeda Crusius is also unlikely to remain in the cabinet.

Planning Minister Affirms She's Still Part of Government

PY2704012593 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 26 Apr 93

[Speakers identified by screen captions]

[Text] After a day full of rumors, Planning Minister Yeda Crusius, in an official press release, stated that she remains part of the cabinet.

[Begin reporter Heraldo Pereira recording from Brasilia] The planning minister kept to her routine today. She arrived in her office early this morning, attended the meeting on Central Bank independence at Government House, and met with her advisers. This apparent normalcy, however, did nothing to dispel speculations.

Toward the end of the afternoon, in between the meeting with the board of directors of the National Bank for Economic and Social Development and another with her advisers, the minister issued a press release stating that she continues to be part of the administration.

In her short press release the minister stated that her job has always been at the disposal of the president of the nation, adding that she continues to review the budget and draw up the administration's plan of action for the next two years. [end recording]

We now have some last-minute information about the planning minister straight from Brasilia. Alexandre Garcia reports live:

[Begin live relay] Just a few minutes ago the planning minister told me that from now on every time somebody asks her about her resignation, she will show her press release and say nothing.

She told me she is not attached to her job but for the time being her main concern is the work that lies ahead of her. She took advantage of the opportunity to explain that if there is any rivalry between the Ministries of Finance and Planning it must be below ministerial level because her relationship with Finance and Economy Minister Eliseu Resende is friendly.

The minister spend Sunday resting with her husband in Pirinopolis and getting ready for the work that lies ahead of her this week. Right now she is working on the budget that the president will promulgate on 29 April. Five items may be vetoed and this will require political decisions. The minister is also working on a multi-annual investment plan. According to this plan if the country grows by 2.5 percent this year the government will recover its ability to invest next year.

Once she presents this plan to the president, the minister will have concluded the last of the tasks assigned to her. This will happen on 30 April. [end relay]

* Presidential Aspirants Lay Ground for Election

93SM0222A Sao Paulo ISTOE in Portuguese 14 Apr 93 pp 16-19

[Article by Marcelo Tognozzi]

[Text] Into the drama surrounding the question of who will succeed President Itamar Franco has stepped a new character—Itamar himself. He came out onto the stage firing against Rio de Janeiro Governor Leonel Brizola and Sao Paulo Mayor Paulo Maluf. Brizola had accused Itamar of "betraying the people by the fraudulent sale of the National Iron and Steel Company (CSN)." Maluf had called him incompetent. "Brizola is not telling the truth, and, as for Maluf, his political history answers better than I can," retorted Itamar on Monday 5 April. Precipitating the start of electioneering was exactly what the president did not want to do. Between now and 1 January 1995, when he will hand the presidential sash to his successor, he still has 629 days left in his term of office, counting from Monday, 12 April. He knows he must not remain on the defensive, lest he become a mere supporting actor in politics.

Ministers like Mauricio Correa of Justice, and Mauro Durante, secretary general of the Presidency, are thinking along the same lines and encouraging Itamar to come out fighting. "The president's responses are an acknowledgement by the government that campaigning has already begun. There is no use trying to pretend otherwise," argued Pernambuco Deputy Roberto Freire (PPS) [People's Socialist Party], the administration's leader in the Chamber. Freire, who like Pedro Simon, his counterpart in the Senate, and Ministers Walter Barelli, Luiza Erundina, and Antonio Britto, has joined Itamar's shock troops, has also taken the offensive. "Brizola, Lula, and Maluf are Collor's apprentices. They think they can do to Itamar what Collor did to Sarney. But Itamar is not Sarney," said Freire.

There are differences of opinion within the trio of candidates mentioned by Freire, but they have adopted the same motto: "no truce." "I will not give the president

any quarter," declared Mayor Paulo Maluf. Beginning in May, he plans to tour the country under the pretext of organizing his new party, the PPR [expansion not given]. The offspring of a marriage between the PDS [Democratic Social Party] and PDC [Christian Democratic Party], the PPR boasts a total of 73 deputies and 10 senators and is now the third strongest group in Congress. Maluf argues that the party will have to put together slates in those states that are able to attract votes to the majority candidate, since in 1994 elections at the federal, state, and city levels will all be held on the same day. "What truce? Why should there be a truce"? asked PT [Workers Party] President Luis Inacio Lula da Silva, who already assumes he will make it into the presidential runoff.

While his opponent Paulo Maluf packs his suitcase, Lula is dining with businessmen. Monday, 5 April, 16 of them sat down at the table with Lula at the home of Helio Mattar, coordinator of Businessmen's National Thought (PNBE) and a partner in the America restaurant chain. A week earlier, the PT candidate had met with 18 businessmen at the home of Emerson Kapaz, who was defeated for the presidency of FIESP [Sao Paulo State Federation of Industries], and is also a member of the PNBE. In mid-March, Lula launched the first in a series of dinners at the apartment of banker Jose Baia Sobrinho, owner of Banco Pontual. The dinner was attended by 35 businessmen. On that occasion, Lula was questioned by businessman Claudio Bardella about the practical results agrarian reform might bring. "It will cause more social strife and few practical results," Bardella said. "It is part of the PT platform," argued Lula.

Although not in harmony on agricultural policy, the PT candidate and the businessmen speak the same language when it comes to the financial system: they want the banks to get back into development financing. Attending the first two dinners were Deputy Aloizio Mercadante, and PT international affairs secretary Marco Aurelio Garcia—like his leader, an ardent fan of Cuban cigars that enveloped his countenance in a permanent halo of bluish smoke. Despite the status symbol, Garcia perplexed some businessmen with some of his tirades during the dinner at Kapaz's home. Perhaps that was why, when it came time for the third get-together, Lula invited Deputy Jose Genuino, of the party's "light" [preceding word in English] wing.

Lula, who has acquired the habit of talking about himself in the third person—Lula is going to do this, Lula believes that—has travel plans, like Maluf. In contrast to the Sao Paulo mayor, who will tour Brazil by air, the PT candidate will set off from his native Garanhuns (Pernambuco State) on 25 April aboard a bus. He will wend his way 3,000 km to Guaruja, on the Sao Paulo coast, passing through 80 cities in six states. On Monday, after saying he will not wait until 1994 to start his political activities, Lula set the tone for the speeches he will give during his trip. "The problem is not that the government is finished, but that it never got started. The situation in Brazil is chaotic, approaching bankruptcy," he charged.

While Lula meets with businessmen and Maluf gets his party organized, Governor Leonel Brizola has started criticizing the government on public platforms—in Matriz Square in Porto Alegre, to be specific. On Monday he spoke to a group of 284 landless activists who were demonstrating there in favor of agrarian reform. "I lost all hope in the Itamar government after what he did with the National Iron and Steel Company. He handed over all that the workers had built up, for just pennies," Brizola railed, referring to the steel company that had just been privatized for $1.05 billion. A little later, Brizola would run into Parana Senator Jose Richa (PSDB) [Brazilian Social Democracy Party] at the Rio Grande do Sul legislature. That gave him the chance to observe that the honeymoon between the *tucanos* and the Itamar administration is over. "Itamar is not succeeding in solving the country's problems," Richa complained.

Attentive to these political movements concerning the succession, leader Roberto Freire argues that the government must begin to speak and act as one. "The government must put its legislative political base back together, and even revamp the Cabinet if necessary," Freire suggested. The PDT [Democratic Labor Party] tried to hasten such a reform by pressuring Justice Minister Mauricio Correa to step down. He reaffirmed his loyalty to Itamar. "It is going to be hard for the minister to remain in the PDT when he is part of a government that knuckles under to Globo TV and ACM [Antonio Carlos Magalhaes]," the PDT leader in the Chamber, Luiz Alfredo Salomao said, sarcastically. Correa was already supposed to have discussed the matter with Brizola, but the meeting was postponed due to the death of the governor's wife, Neusa, on Wednesday 7 April. The PDT has its eyes on the PMDB [Brazilian Democratic Movement Party], dreaming of the possibility that Orestes Quercia may lose command of the party. "We are very sympathetic with the anti-Quercia forces and have already held talks with Bahia Senator Ruy Bacelar and the Rio Grande do Sul contingent. If they win, there could be a coalition," Salomao predicted.

The PSDB has also discussed alliances. One party bigwig insists the possibility of a coalition with the PT, with Lula as candidate, is "extremely remote." But the conversation is different when it comes to the statehouses. In Rio Grande do Sul, the PSDB may back Olivio Dutra, of the PT, for governor. In Rio, Marcello Alencar wants PT backing, as do Mario Covas or Jose Serra in Sao Paulo, Pimenta da Veiga in Minas Gerais, and Jutahy Junior in Bahia. Covas, obeying the maxim according to which "a molting bird does not chirp," is silent. But he has already hired a Sao Paulo political marketing firm to handle his campaign—for either the governorship of Sao Paulo or the presidency of Brazil. Since Jose Serra wants to run for governor of Sao Paulo, he is rooting for Covas to throw his hat into the presidential ring.

In the midst of the crossfire of the succession, President Itamar won at least one truce—and with a powerful sharpshooter, Bahia Governor Antonio Carlos Magalhaes. The cease-fire, albeit temporary, was sealed with ACM on 2 April in a suite at the Hotel Rio Poty in Teresina, where the president had set up a meeting with governors of northeastern states. At Itamar's behest, ACM went to talk with him at 1110. This was when Itamar began to reap the first results of his strategy to pacify ACM, who had been the first to don an opposition t-shirt. So, instead of having to fight four heavyweight opponents, the president will only have to worry about three: Brizola, Maluf, and Lula. The Bahia governor was accompanied by Minister of Regional Development Alexandre Costa when he went to see Itamar. The president received ACM clad in a white terrycloth robe, slacks, and shoes. Very *simpatico*, he began the conversation by saying that an understanding with ACM "would be very useful."

The governor said he had been offended when, in January, he had gone to Planalto Palace to denounce an improper use of public funds by Minister of Social Welfare Jutahy Junior. The audience, which was supposed to be private, ended up being covered by the press. After taking care of the dirty laundry, the two talked about the economy. ACM criticized the IPMF [Temporary Tax on Financial Transactions] and said he opposes it. "Just between us, so do I," Itamar confided. The conversation ended at hours with a statement from ACM: "I have nothing personal against you, sir, but it is my duty to criticize things whenever that is in the country's interest. Therefore, I will remain in the opposition."

[Box p 17]

A Shot in the Dark

At least for the present, neither attacking the Itamar Franco government nor ceasing one's attacks can either add or subtract votes from next year's presidential hopefuls. The majority of Brazilians who view Itamar's administration favorably will tend to vote for Luis Inacio Lula da Silva for president. The majority of those who disapprove of the government are inclined to vote for Paulo Maluf. Anyone who thinks the parliamentary system will have a better chance to win next week's plebiscite if his radio and TV spots contain more criticism of the administration is wrong. Brazilians detach themselves from the current government when they decide whether to vote for the parliamentary or the presidential system, either under a monarchy or under a republic.

These conclusions were gleaned from the final report of a poll taken in 153 cities in Brazil by the Vox Populi Institute, of Minas Gerais. The survey interviewed 2,634 people between 27 and 30 March. To 37 percent of respondents, Brazil is in better shape since Itamar replaced former President Fernando Collor. The situation, which was bad, remained unchanged in the minds of 39 percent. And it got worse, according to 13 percent. Itamar should worry about the Northeast. It is there that the negative evaluation of his administration is highest—32 percent. It is also there that the poll found the largest contingent of pessimists as regards Brazil's future—24 percent. The administration, which makes a point of touting its decision to favor the poor, is doing especially badly among the poor: 20 percent of those who earn less than a minimum wage think the country's situation is going to get worse.

The Vox Populi poll left two citizens in a state of grace: Social Security Minister Antonio Britto, and Amapa Senator Jose Sarney (PMDB). Britto was considered by 10 percent of respondents as the best minister in the administration, miles ahead of the approval ratings obtained by Ministers Walter Barelli, Luiza Erundina, Eliseu Resende, and Lazaro Barbosa—each with a measly 1 percent. Sarney, in the opinion of 19 percent of respondents, was the second best president Brazil has had since 1950.

The People Judge Their Presidents
Ranking of elected presidents, according to the Vox Populi poll (in %)

Getulio	21
Sarney	19
Juscelino	18
Figueiredo	11
Castello Branco	3
Janio	3
Itamar	3
Collor	2
Geisel	1
Joao Goulart	1
Medici	1
Costa e Silva	0

Chile

Minister Says No Corruption Within Administration

PY2204202693 Santiago Radio Chilena Network in Spanish 1700 GMT 22 Apr 93

[Excerpt] The government is convinced that there is no system of corruption distorting public services in Chile. This statement was made by Minister Secretary General of Government Enrique Correa, after reporting that the issue of public servants' honesty was on the agenda of a cabinet meeting during which the president made some comments on the subject.

In general, Correa said, public servants are honest—sometimes heroically honest—and we believe that at this time it is very important to defend public servants and public services:

[Begin recording] We are very proud of the sober, austere, and honest way in which this administration has managed the matters under its jurisdiction. Furthermore, the administration's honesty has been strengthened by a full state of law, press freedom—which has been exercised without restrictions, censorship, or threats, and a democratic, open government in which the independence of each branch and the rights of offices like that of the comptroller general have been exercised without any pressure or coercion. [end recording] [passage omitted]

Macroeconomic Targets 'Unchanged' Despite Exports Decline

PY2704194593 Santiago Radio Chilena Network in Spanish 1700 GMT 27 Apr 93

[Text] Economy Minister Jorge Marshall has noted that despite the current decline in prices paid for various export products on the international market, the 1993 targets of a 6 percent economic growth rate and an 11 percent inflation rate remain unchanged.

The economy minister said that the government is worried about what is happening to prices for our export products, especially copper, cellulose, and fishmeal.

Even though economists predict a $500 million deficit in this year's balance of trade, Marshall said that the government has a different estimate, but reasserted that we are in a good position.

[Begin Marshall recording, in progress] ...discussing it, but that there will be a reduction in foreign exchange income. What I am actually saying is that this problem does not disturb our 1993 macroeconomic program. [end recording]

Minister Marshall believes imports will increase between 15 and 20 percent, while exports will increase at a slower pace—between 6 and 10 percent.

Concerning an IMF estimate that Chile's economic growth would reach 4.3 percent, Marshall said this figure represents an underestimate, and emphasized that this year's economic growth will reach 6 percent.

Canadian Minister on Prospects for Chile To Join NAFTA

PY2604235793 Santiago Radio Chilena Network in Spanish 1700 GMT 26 Apr 93

[Text] After meeting with Finance Minister Alejandro Foxley, Canadian International Trade Minister Michael Wilson said Chile has the economic ability to join the North American Free Trade Agreement, NAFTA, made up of the United States, Canada, and Mexico.

The Canadian minister noted that Chile's economic policy—open to the world—and its ability enables Chile to gain access to this potential free trade market.

[Begin Foxley recording in English, in progress] ...political preoccupations, but we see that, as far as Chile is concerned, the economic ...[end recording]

Vis-a-vis our country's political situation, during an election year, the Canadian minister said each country has its own preoccupations because Canada will also have elections.

In conclusion, the Canadian minister invited Foxley, along with private sector representatives, to visit Canada in order to enhance the integration between entrepreneurs from the two nations.

Visiting Nicaraguan Finance Minister Views Chilean Experience

PY2304161593 Madrid EFE in Spanish 1751 GMT 22 Apr 93

[Text] Santiago, 22 Apr (EFE)—Nicaraguan Finance Minister Emilio Pereira stated today in Santiago that Nicaragua has advanced somewhat in its efforts to rebuild its economy, but that it has been a very difficult task because "we had to start from zero."

"When we became the government, the political, economic, and social structures had been demolished during a drawn-out war," Pereira said. The finance minister is visiting Chile at the head of a delegation of congressmen and businessmen.

The mission's objective is to exchange experiences with Chile on the technical management of the economy and the political evaluation that has allowed Chile to achieve a basic consensus between the political and social protagonists that has led to economic growth and the consolidation of democracy.

Pereira added that his objective is to obtain "every possible advantage from the Chilean experience," although he insisted the challenge is greater for Nicaragua, because when President Violeta Barrios de Chamorro's government assumed power "it did not have the advantage of leading a country that was already advancing."

He indicated that the current Nicaraguan Government has been able to reduce inflation from 30.67 percent in 1988 to 3.5 percent in 1992, while the economy went from deficit of 10 percent to a growth of 0.8 percent in the same period.

The Nicaraguan minister highlighted "the will of the majority" to overcome the antagonisms that exist in his country. He stressed that the Chilean example shows "that one cannot be looking ahead and in the rear view mirror at the same time, especially when time and resources are short."

Ramiro Gundin, president of the Superior Council of Nicaragua's private business sector, stated that the democratic government's management of the economy, the consolidation of the inherited advances, and the

strengthening of achievements are the most important aspects of the Chilean experience.

Gundin believes that Chile disproves the myth that Latin America cannot have a progressive economy capable of integration with the world together with a process of strengthening and perfecting democracy.

Colombia

Telecom To Accept Calls From Kidnappers in Costa Rica

PA2704144293 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1412 GMT 27 Apr 93

[Text] Barranquilla— Enrique Gonzalez Porras, Colombian Telecommunications Enterprise [Telecom] regional director, has announced that Telecom has authorized the acceptance of calls from the terrorist command in Costa Rica. The terrorists are holding the members of the Costa Rican Supreme Court hostage and are demanding to speak to a Medellin telephone operator to establish a link with as yet unidentified persons in Medellin. Telecom is willing to help to ensure that the San Jose incident will have a civilized and peaceful solution.

Army Experts Go to San Jose

PA2704232993 Hamburg DPA in Spanish 2145 GMT 27 Apr 93

[Text] Santa Fe de Bogota, 27 Apr (DPA)—It was reported in Santa Fe de Bogota that Colombian Armed Forces antiterrorist experts travelled to San Jose, Costa Rica on 27 April to advise Costa Rican authorities in the case of the 23 persons being held hostage in the Costa Rican Supreme Court of Justice building.

According to Santa Fe de Bogota's Radio Cadena Nacional, the decision to send a support team to Costa Rica was adopted after a conversation between authorities from the two countries, who have also opened a permanent telephone line between Santa Fe de Bogota and San Jose.

Radio Cadena Nacional reporters reported that the Colombian Defense Ministry has not reported how many units have been sent to San Jose, but it has been established that they are experts in the antiterrorist struggle.

Likewise, the Colombian Secret Police reported that an effort is being made, with the cooperation of the Costa Rican authorities, to establish the identity of the kidnappers, who yesterday kidnapped 19 Supreme Court magistrates (one of them has been released) and five court officials.

The Santa Fe de Bogota Police Department is participating in this task because there is evidence that at least two Colombians form part of the self-styled death command. The terrorist group is demanding from the government of Costa Rican President Rafael Angel Calderon, payment of a $20-million ransom, facilities to board an airplane to travel to a South American country, and the release of alleged Colombian drug traffickers in Costa Rican prisons.

The kidnapping has generated negative feelings among the Colombians, who still remember the November 1985 day when a group of militants of the 19 April Movement, at that time a guerrilla organization, seized the Colombian Supreme Court of Justice Building. More than 100 persons, including 11 justices, died in that incident.

President Meets With Public Forces Commanders

PA2504004793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 24 Apr 93

[Text] President Cesar Gaviria met on the morning of 24 April with the military commanders. The president asked them to aim their main efforts at the struggle against narcoterrorism.

On 24 April President Cesar Gaviria Trujillo supported the work and operations by the country's military and police forces to fight drug trafficking, guerrillas, and terrorism.

During the summit of public force commanders held in the northern canton, the president stated that the security corps will step up their intelligence and logistic efforts to capture Pablo Escobar Gaviria, top leader of the Medellin Cartel, and dismantle all the organizations dedicated to drug trafficking.

[Begin Gaviria recording] We are relentlessly fighting narcoterrorism. The so-called Search Unit, formed by highly specialized and carefully selected public force members, has been working persistently to dismantle the criminal structure of the Medellin Cartel and to locate terrorist and drug trafficker Pablo Escobar and his henchmen. [end recording]

Gaviria Trujillo stated that it is necessary to turn the internal disturbance decrees into permanent laws to fight the different forms of crime in the country.

[Begin Gaviria recording] Neither bombs nor the intimidation of rifles will make us change our path. The government will not change a policy that yields palpable results just because the threats persist. [end recording]

Finally, President Cesar Gaviria Trujillo said Colombians cannot allow themselves to be misguided or divided by the disinformation produced by terrorist and criminal organizations.

Congress Questions Presence of U.S. Bases, Soldiers

PA2604133893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 26 Apr 93

[Report by Francisco Javier Diaz]

[Text] This week the government must clarify to Congress the status of several U.S. bases and soldiers in Colombian territory. The main problem is that the period of time agreed on regarding their presence in our country has expired.

Six U.S. bases are reportedly operating under irregular conditions, according to Congressman Jairo Clopatofsky. He added that 200 U.S. soldiers are currently participating in military operations, particularly in Leticia. According to an agreement signed with the government, U.S. soldiers were to remain there for six months to install a radar, however, they have already stayed 18 months.

[Begin Clopatofsky recording] The danger is imminent. We know they are conducting military operations on Colombian territory. The people in the Amazon region are terrified, particularly in Leticia. [end recording]

There are U.S. military bases in La Guajira, Araracuara, San Andres, El Choco, Arauca, and Leticia. Most of the problems have been reported in Leticia.

[Begin Clopatofsky recording] It seems that the place is under U.S., not Colombian authority. [end recording]

We interviewed General German Castro, commander of the Southern Unified Command.

[Begin recording] [Castro] They do not carry weapons here in Leticia.

[Diaz] Do you have control over them?

[Castro] Yes sir, I maintain control and good coordination with them.

[Diaz] Are they under your command?

[Castro] Yes. They are under my jurisdiction. One of my duties is maintaining close coordination with them. [end recording]

This week, the ministers of defense and foreign relations must inform the Chamber of Representatives Second Commission how many U.S. bases exist in Colombia, the number of foreign troops that are currently in our country, what type of weapons they have, and why Congress has not ratified the agreements signed by the government for the struggle against drug trafficking.

Government Minister on Subversives, Escobar

PA2304181793 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 22 Apr 93

[Telephone interview with Government Minister Fabio Villegas Ramirez by unidentified reporter in Santa Fe de Bogota—live]

[Text] [Reporter] Good Morning, Mr. Minister. What news do you have on the fighting in the Cucuta region?

[Villegas] I understand that the military forces continue their offensive actions against subversive groups. This is going on in Norte de Santander and in other parts of the national territory. It is important to stress [words indistinct] to the citizens that with the support of the people and with the decided action of the state we are capable of overcoming the subversive groups and recovering peace.

[Reporter] Mr. Minister, do you have the latest on the situation taking place on the border with Venezuela in the last 48 hours?

[Villegas] No, I do not have precise information on guerrillas who have been arrested or who have fallen in battle, or soldiers. There have been some regrettable situations in which some private citizens and military personnel [word indistinct] combat, but they are fulfilling their duty in defense of the nation and of the lives of all Colombians.

[Reporter] Mr. Minister, is the government certain that in the next six months it will achieve the objectives outlined by General Hernan Jose Guzman Rodriguez, Army commander; that is, to capture or eliminate a member of the Revolutionary Armed Forces of Colombia Secretariat, as he said on television on 18 April?

[Villegas] I cannot confirm this [words indistinct]. This implies purposes and goals [words indistinct]. What I can guarantee is that on the government's part there is a total willingness to fight, through all constitutional and legal means, subversive and organized crime organizations. We have been orienting our actions in that direction by strengthening the military forces economically. We have been contracting more personnel and providing technical equipment. I believe that we have a policy [words indistinct] that will give Colombia positive results [words indistinct] that so longed for objective, which is to recover peace and security.

[Reporter] The residents of the capital have been taken by surprise in the past few days by the stepping up of vigilance and street patrols. This is very good and is being supported by everyone. Does the government have any indications of a possible terrorist attack?

[Villegas] The signs are clear because narcoterrorism continues to exist and continues its activity not only in Santa Fe de Bogota but also throughout the nation. The narcoterrorist organizations, through their attacks, have cost the lives of many innocent citizens, women, and

children in several parts of the country. Faced with the decided action of those criminal organizations, [words indistinct] we must improve security measures and above all we must continue to press on with the processes being undertaken to defeat these [words indistinct].

[Reporter] Mr. Minister, it appears that members of the Socialist Renewal Movement have fallen during the fighting in the past few days. This is a guerrilla faction that had promised to initiate a unilateral truce to enter into a negotiation process with the government. What is happening here? Either the Movement has not implemented the truce, or is the government is sending a message that the Movement should locate its fronts in determined points?

[Villegas] The Socialist Renewal Movement is still a guerrilla group. As such, the military forces are obliged to fight them. They have expressed their willingness to [words indistinct] as was requested by the government [words indistinct] for the unilateral cease-fire to be verified so that it does not turn into a mockery for the nation. To guarantee its success, it is necessary for that organization to locate its members at specific points on the national territory. These specific points must be controlled and watched over by the authorities. We are in this process with the Socialist Renewal Movement [words indistinct] with the objective of [words indistinct] initiating the corresponding dialogue.

[Reporter] Mr. Minister, We are under the impression that this process is going slowly, because two weeks ago you more or less said the same thing. Why has it not been possible to set a specific date to reach the government's goal with the Movement?

[Villegas] The truth is that we are not being pressed for time. We want to do things right. If it is feasible, if this dialogue process is opened, and if this organization truly wants peace, we must establish all the procedures that will guarantee effective results for the nation. We do not want to become engaged in processes that can turn into frustration for all Colombians. We do not want these processes to be used as a stage by violent persons. We want to assure that this process will get results so that we can have guarantees that will give security to all Colombians. We will take all the time necessary.

[Reporter] Monsignor Dario Castrillon said that on 4 March Pablo Escobar would have surrendered, but when Castrillon called the president of the Republic, he treated him arrogantly and discussed the issue with contempt because he most certainly is not interested in Pablo Escobar's surrender; rather he prefers to capture him. These were Msgr. Castrillon's exact words. There is a feeling that the legal doors are being closed for Pablo Escobar to surrender. What are the government theory and criteria on this matter?

[Villegas] That is absurd. The government wants justice to be served. The government wants Escobar and in general for criminals and the leaders of criminal organizations to be brought to justice. This way they can legally pay, as established by the Constitution, as established by legal procedures, for the crimes and atrocities they have committed against the Colombian people. From the point of view of the application of justice, it is a victory for the state and for justice that a criminal surrenders or that he is arrested. It is important that these persons be awarded fair sentences, in proportion to the crimes they have committed [words indistinct] the nation. The policy for surrendering to justice is there precisely for those criminals who want to surrender. This policy proves that the state's efforts are working. In the case of Escobar, [words indistinct] this gentlemen can surrender if he has the will to do so. This would be the result of the decided action of security organizations, of justice, and of the state. From this point of view, there is no difference in the [words indistinct] and of the state's objectives if a criminal is captured or if he surrenders.

[Reporter] What you have just said appears to confirm a report that was published by the media, according to which Pablo Escobar's lawyers went to the prosecutor general stating: We have established a procedure for Pablo Escobar's surrender. Under this scenario he will only serve a four year sentence. They asked the prosecutor general if he would agree to this. The prosecutor general replied that it was not acceptable that Pablo Escobar serve such a short sentence. It is said that this is why the negotiations fell through. Are you confirming that the government wants strict application of justice and for criminals to serve the sentences they deserve?

[Villegas] This is not the government's will, this is the will of the Colombian people that is set out in our [words indistinct] and in our criminal code. The sentences for the crimes committed are clearly established there. The Escobar case falls under the category of terrorism as important members of our society have perished. The sentences established for such crimes are 60 years. It would be absurd for a criminal of that nature, so dangerous, and who has caused so much [words indistinct] to the peace of Colombians, to serve a sentence that was not in proportion to his crimes. I do not have knowledge of the specific conversation that you are making reference to, but here the authorities hand down the sentences. They have been legally appointed and they have been awarded these duties by the people and under no circumstances have the representative of the criminals been tasked with handing down sentences.

[Reporter] Do you have any news of Jaime Ardilla?

[Villegas] None at all.

[Reporter] What is the government's position regarding Fidel Castano's communique?

[Villegas] The prosecutor general and the authorities have denied the reports whereby there has been cooperation between the [words indistinct] and justice on any occasion.

Administrative Department of Security Plans Announced

PA2604021593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 25 Apr 93

[Text] The Administrative Department of Security [DAS] will become a CIA, Colombian style. The DAS reorganization will emphasize the tasks of investigation and intelligence. Many DAS officials currently engage in office work, others issue judicial certificates, others provide exit stamps at the airport, some are bodyguards, while others do judicial police tasks.

Under the reorganization these tasks will be done by other officials, so that the DAS detectives can devote themselves exclusively to investigations.

These intelligence tasks will receive logistical support by means of computers and the systematization of the fingerprint files, as well as up to date information on all persons with criminal records in Colombia.

[Begin recording, DAS Director Fernando Brito Ruiz] The country's intelligence cannot be only in the minds of those persons who know when some specific action took place, who were involved, and so forth. We are working hard on organizing and systematizing our intelligence service. [end recording]

Now the detectives should not have to participate in operations, capture individuals, or engage in other activities that correspond to the Judicial Police. They will have new identification badges, and most of them will not carry weapons.

[Begin Brito Ruiz recording] The persons who do intelligence work do not necessarily have to carry weapons, except for very special conditions. We are promoting this new image. [end recording]

The DAS will become an organization similar to the U.S. CIA, which does intelligence work. The DAS will be doing fewer activities that correspond to the Judicial Police, the immigration authorities, and bodyguards.

Commission To Investigate Complaints Against Unase

PA2404161293 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1200 GMT 24 Apr 93

[Text] Santa Fe de Bogota— A commission has been established to investigate complaints filed against members of the Antiextortion and Kidnapping Unit [Unase] that has launched a search for journalist Jaime Ardila Casamitjana. The commission was established following a national council on Indian policies. The commission is comprised of Attorney General Carlos Gustavo Arrieta Padilla, Human Rights Ombudsman Jaime Cordoba Trivino, Human Rights Presidential Adviser Carlos Vicente De Roux, Red Cross members, and Indian senators headed by Anatolio Quira.

Deputy Government Minister Jorge Garcia said he will ask these persons to travel to Sierra Nevada in Santa Marta to investigate the circumstances surrounding the death of an (Arsario) Indian and the disappearance of eight others. Indian spokesmen attending the meeting said the incidents have been provoked by Unase group members conducting an operation in the zone while searching for the men who kidnapped EL ESPACIO Director Jaime Ardila Casamitjana. Paraguay

Paraguay

President Says Move To Suspend Elections 'Bound To Fail'

PY2704172893 Asuncion HOY in Spanish 27 Apr 93 p 3

[Text] President Andres Rodriguez asserted yesterday that the "move" seeking to suspend the forthcoming elections is bound to fail. He was very emphatic that elections will be held on 9 May, come what may. He added that the deadline for filing complaints has expired, and that the petition lodged with the Supreme Court does not warrant consideration.

Rodriguez said: "I believe that the petition was signed by Attorney Mario Milciades Melgarejo, acting for the National Reconciliation faction led by Dr. Argana. So as far as I know, I do not really think that the petition is backed by congressmen. Congressmen belonging to that faction might have entrusted Melgarejo with the task of presenting the petition to the Supreme Court."

He then stated that "there will be no postponement whatsoever. From the very beginning, the executive branch has told international organizations at home and abroad that it has done its utmost so that elections might be held on 9 May. And so they will."

The president added that "what's more, even if they did lodge a protest or an objection today, I believe it is totally illegal, because the Electoral Law clearly states that the period for doing so is already over. Hence, under no circumstances can the petition filed by Melgarejo be dealt with."

Rodriguez further stated that "it is impossible" to postpone the elections. "Truly, I do not think that that petition will be accepted. Elections will be held on 9 May come what may, because that is the will of the executive branch and indeed of the entire Paraguayan nation, as well as that of international organizations."

Upon being asked about reports that 400,000 citizens would not be able to vote because their addresses had been changed, Rodriguez answered: "Look here, the deadline for amendments and objections has expired, so that is out of the question. As far as I know, that is a pack of lies."

Rodriguez asserted that voting lists "were even checked by observers, who have given them their okay. Any citizen can telephone the JEC [Central Electoral Board]

if he has any doubts, and he will be told where he will have to vote. This move will thus not succeed, not by any means."

General 'Categorically' Denies Coup Rumors

PY2304195193 Asuncion NOTICIAS in Spanish 23 Apr 93 p 9

[Text] Military Household Chief Regis Anibal Romero last night categorically denied the possibility of a coup d'etat so near the presidential elections. He reasserted no one in the Armed Forces is thinking of spilling the blood of Paraguayan youths again. He added that under the present circumstances, all sectors will go to the streets to defend the democratic process.

Gen. Romero said all Paraguayans are anxiously awaiting to vote in May and this is why it would be completely incomprehensible and unacceptable to perpetrate a coup.

He added that the Armed Forces currently adhere to institutional principles and for that reason they would reject any plans of this nature from "irresponsible" politicians.

Romero said coup d'etat rumors are senseless because the commander in chief and the highest-ranking Armed Forces officers have repeatedly said they hope the current political transition process will succeed and that there will be a normal transference of power on 15 August.

Army Commander on Role of Military Commanders

PY2604204893 Asuncion ABC COLOR in Spanish 24 Apr 93 p 13

[Article by Carlos Peralta and Eduardo Franco, "special correspondents" to Concepcion]

[Excerpt] Division General Pedro Concepcion de la Cruz Ocampos, current Army commander, yesterday stated that the commander of military forces and the commander in chief of the Armed Forces, a post to be held by the next president of the Republic who will be a civilian, will share the command of the Armed Forces, because they will assist each other on military issues. He admitted, however, that the future chief of state will be responsible for the Armed Forces in his role as commander in chief.

Gen. Ocampos said that the presence of the military forces commander within the military structure cannot be conceived as pressure on the future commander in chief, who will be a civilian as of 15 August, when the candidate elected in the 9 May elections assumes the presidency.

He said: "By no means can the presence of a military forces commander be understood as pressure, because handling the Armed Forces is a very complicated and complex issue that demands much assistance."

When asked about the possible role of the future commander in chief of the Armed Forces, considering that the military forces commander will have the effective command of the military, he said: "He will have the [illegible] vested upon him by the national constitution, because they (the commander in chief and the commander of military forces) will work in a coordinated manner. They will practically share the command, in the sense that they will assist each other," he said.

Asked again whether this fact will mean reducing the power of the future president of the Republic in his role as commander in chief, he said: "No, by no means. The personality of the future president will be important here, because this man must have the capability, aptitude, and temperament that will facilitate the work of the two commanders. But the role of the president of the Republic will always prevail."

Gen. Ocampos explained the scope of his words when he said that the administration of the Armed Forces and of the presidency will be shared.

He added that the next chief of state will not delegate the command of the Armed Forces, but "will only authorize the military forces commander to administer, as a professional military officer, all military matters."

"The president will be responsible for everything that is or is not done in the Armed Forces. The president will be the absolute commander, and this must be stressed clearly, because we do not want to fall into conjecture that will create more confusion," he said. [passage omitted on unrelated material]

Military Forces Commander Comments on Position

PY2304190993 Asuncion HOY in Spanish 22 Apr 93 p 6

[Interview with Vice Admiral Eduardo Gonzalez Pettit, first to hold the recently created post of commander of military forces, on 21 April—place not given]

[Text] [HOY] It has been said that your designation was designed to reduce the presidential powers. What is your opinion on that?

[Gonzalez Pettit] No. The Constitution says that the president of the Republic names the commander of military forces. So, it depends exclusively on the desire of the president of the Republic, the current or future president, if I remain or not in my post.

[HOY] What would happen if the next president decides to retire you?

[Gonzalez Pettit] It would be absolutely normal. I have completed the period of time demanded for retirement, and all other requirements.

[HOY] Is the possibility of making the country ungovernable rejected by the Armed Forces, if the next government is not of the Colorado Party?

[Gonzalez Pettit] For us it will be a normal succession. I am absolutely sure that the Armed Forces will support the elected president. Those are the words of our current president and commander in chief. He has always told us that the Armed Forces must support the executive branch. We no longer meddle in political, economic, or social fields. So, the Armed Forces will fully support the new president of the Republic.

[HOY] The contradiction stems from the fact that this post is not contemplated in the Military Organizational Law, and the functions and duties are not clear. The designation exists, but not the post..

[Gonzalez Pettit] Well, the new Constitution clearly establishes the general functions of the commander in chief of the Armed Forces and of the commander of military forces. It is very clear: If the president of the Republic holds the function of commander in chief, which he cannot delegate, he will need an expert who will be charged with that public area which represents the Armed Forces. Only a professional can hold this post. Just as a professional heads the sectorial activities, the different ministries, and the autarkical organizations, an officer from the Army, the Navy, or the Air Force must handle the routine activities of the Armed Forces. And thus, the president of the Republic in his role as commander in chief, will be responsible for the top management of the Armed Forces. It would be impossible for the president of the Republic who, as commander in chief will also dedicate his time just to the Armed Forces, like that he would disregard the other sectors of the country's activities. I think this is the exclusive reason.

[HOY] It would imply a delegation of power because the military forces commander will be in direct contact with all other forces.

[Gonzalez Pettit] The direct contact is of no importance. The division commander is also in direct contact with the commanders of regiments, and he loses no authority for that reason. The commander of the Army corps is also in direct contact with the division commanders and loses no authority. On the contrary. The Armed Forces, according to our organization, must be handled by a general. A civilian cannot do that for the same reason the Asuncion archbishop is not a rear admiral. There are technical reasons. He must be a professional of the area. That is all. But the president is always the top authority and the commander in chief. He can even name a person he wants in that post. He does not lose any authority, he only transfers a little of the routine area. It would be very embarrassing for a civilian president to receive the Navy commander to ask him for authorization to organize a force made up of three infantry battalions, two helicopters, a vessel, and to make a landing in such a place. A civilian will not know what he is talking about, because it is an exclusively technical matter.

[HOY] Would it not have been more correct to have first amended that constitutional article and then name the new commander, or was there some hastiness on this matter?

[Gonzalez Pettit] I believe this is an important political moment for the country. It is obvious that the top political authority, the president of the Republic, has not much time. We are only three weeks away from the elections.

[HOY] Why did you participate last Saturday in a meeting considered of political connotations concerning the resignation of a minister?

[Gonzalez Pettit] A judge has already ruled out an absolutely groundless accusation over a ceremony we attended to pay our respects at the Colorado Party Executive Board headquarters. Last Saturday's meeting was a social meeting which was not even a public event. I do not see any political connotation in it.

Peru

Economic Committee To Review Constitution

PY2704015093 Lima EL PERUANO in Spanish 14 Apr 93 p A3

[Text] ANDINA News Agency—Words like "social," "communities," and "social market economy," among others, have been eliminated from the economic chapter of the old Constitution. The new text is being elaborated by the Economic Committee, presided over by legislator Reynaldo Roberts Billig.

Legislators eliminated 21 articles out of the 53 that make up the economic chapter of the 1979 Constitution. The committee considered these articles "unnecessary and inappropriate."

Roberts Billig said it is untimely to regulate communities because the idea of what a community is—for instance, "peasant community" or "native community"—has not been clearly established, at least at the constitutional level.

Roberts said the present trend is to deregulate and create equal opportunities. Therefore, all economic activities must be on equal footings, and "no priority should be given to any particular regime."

Roberts said that the word "social" will not be used in the new draft that will be presented before the Constitutional Committee on 14 April. The state's participation, though, will be clearly defined.

The economist said that the terms "social market economy" or "market economy" were eliminated because they were unnecessary and because they acquired connotations that only complicated the text.

Regarding the economic role of the state, Roberts said it was quite limited, although he added that the state must have room to maneuver and fulfill its role.

Roberts said that according to the new text, the state will be able to expropriate only in cases of real public need and if there is a specific law authorizing it.

The new economic chapter that the Committee will begin studying on 14 April comprises one title, five chapters, and 42 articles.

Constitutional Committee Creates Special Court

PY2704023293 Lima EL COMERCIO in Spanish 14 Apr 93 p A5

[Excerpts] The Constitutional Committee of the Democratic Constituent Congress last night created an autonomous Constitutional Hall within the Supreme Court to replace the Constitutional Guarantees Tribunal. [passage omitted]

The Constitutional Hall will be part of the Supreme Court. It will be the only court to decide on petitions of unconstitutionality and will have the final word on habeas corpus, habeas data, amparo, people's initiatives [accion popular], and petitions of compliance [accion de cumplimiento]. [passage omitted]

Carlos Fernandez Arce, of the ruling majority block, said that the new hall will strengthen the judicial branch "within this new reform project." Fernandez said the new Hall will not participate in Supreme Court plenum meetings.

Fernandez said that the new Hall will be made up of five members and two alternate members. They will be appointed by the National Council of Magistrates in order to avoid political interference. Their mandates could last six years without extensions and they will be required to fulfill the same requirements as Supreme Court justices. This point, however, has not yet been settled. [passage omitted]

CCD Chairman Comments on Independence From Executive

PY2704160093 Lima LA REPUBLICA in Spanish 12 Apr 93 p 3

[Excerpts] CCD [Democratic Constituent Congress] Chairman Jaime Yoshiyama last night said the CCD will censor cabinet members, particularly those who do not comply with the economic program, to show its independence from the executive branch. He added the CCD has decided to summon Economy Minister Jorge Camet to explain the current inflation situation.

Commenting on President Alberto Fujimori's recent statements, Yoshiyama said Fujimori should be aware that the CCD is quite different from the congress that was in power before 5 April, both with regard to passing legislation and savings.

Yoshiyama said the CCD is more than halfway through on the study of the constitution, which will be ready by July. He added that $70 million of the $93 million spent by the previous congress have been saved.

Yoshiyama made this statement during an interview he granted to the "Sunday Review" television program broadcast by Channel 4.

Regarding President Fujimori's criticism of the CCD's productivity, Yoshiyama commented: "The president's opinion deserves great respect."

He added that he has had no chance to speak with the president, "because we have been too busy, but perhaps this interview will help us inform him why we are fully convinced that this Congress is far better than the previous one."

Yoshiyama explained that previously congress had employeed 3,300 personnel, and that now there were only about 400. "We have dismissed 2,900—that is, out of every 100 employees we now have 14. I believe this constitutes great progress, because we have done away with personal recommendations and political appointments, and so forth."

In a clearly challenging tone, Yoshiyama said: "President Fujimori charges that we are slow. I wish to show the audience otherwise."

To explain the CCD's productivity, he posed the following question: Has the productivity of Congress decreased in these first 100 days?

He added: "I wish to explain the following: We have two clear and well-defined tasks. The first is to carry out the work of a normal congress, that is, to pass laws and regulations. The second is to draft the constitution."

Yoshiyama compared this production to the first 100 days of the previous congress, which passed five laws instead of the 45 laws approved by the CCD during the same period—that is, nine times more. He added: "In three months we have done three times more work than was done by the 1979 congress."

Yoshiyama said that the CCD had only spent $23 million, and that $70 million had been saved.

Upon being questioned whether he was independent from President Fujimori, Yoshiyama said:

"I believe, and I think I am speaking on behalf of the 80 legislators, that I am completely independent from the executive branch. Independence is freedom to do one's will. Regarding the executive branch, we are completely free to do what we want. But we owe responsibility to our electors, to the people who elected us."

Yoshiyama stated that since the beginning of the campaign they had promised to support the moralization program implemented by President Fujimori. He said: "The people voted for us, and we share many points of view with the president's government program."

He said, however, that there is a small group within the CCD that believes that independence is tantamout to fighting with Fujimori. Yoshiyama said: "I believe that

independence is tantamount to drafting the program we have submitted to the government." [passage omitted]

Regarding Luis Alberto Sanchez's opinion that the drafting of the new constitution will take all of President Fujimori's term, Yoshiyama said he does not want to make any predictions. He said he could not envision a constitution that would remain in force 200 years from now, but one that would prevail until 20 years from now, or until Peru overcomes its collapse.

Polay, Cardenas Transferred to Callao Navy Base

PA2604201793 Lima Radio Programas del Peru Network in Spanish 1938 GMT 26 Apr 93

[Report by Walter Samuel Leyra from the Callao Navy Base]

[Text] Victor Polay Campos and Peter Cardenas Shultz, members of the Tupac Amaru Revolutionary Movement, arrived on Air Force Flight No. 8 and have entered Callao Navy Base amid heavy military security. They will serve life sentences here. During their transfer, Army helicopters overflew the area. We are located at the entrance of the Navy Base, where security has been reinforced. The traffic of vehicles on Nestor Gambeta Avenue, which was the route used to transfer the terrorists, has returned to normal, following the heavy military deployment.

Bomb Explodes at Former Education Ministry Building

PA2704141893 Lima Panamericana Television Network in Spanish 1200 GMT 27 Apr 93

[Text] An attack staged on the morning of 27 April at University Square resulted in one injured teenager, three seriously damaged minibuses, and some destroyed furniture.

Two men placed an explosive device at the building that used to house the Education Ministry offices.

The explosive device planted by subversive criminals on the morning of 27 April at the Education Ministry's former offices caused heavy damage.

Three minibuses that covered the Lima-Callao route were damaged and their windshields broken. The drivers were unharmed, but one of the helpers, identified as Paulo Cesar Guaynate, 17, had his right hand injured as he slept inside one of the vehicles.

According to some taxi drivers, the two terrorists who placed the explosive device, made up of approximately 20 kg of ANFO [ammonium nitrate fuel oil] and dynamite, arrived with a suitcase and placed it at the side door of the former offices of the Education Ministry.

The first floor and the furniture inside were destroyed by the explosive wave, as were the window panes of the first ten floors of the building.

Due to the condition of the building, traffic is restricted on blocks 12 and 13 of Nicolas De Pierolla Avenue. Drivers are advised to detour at Huancay Avenue or Azangaro Street if they are coming from San Martin Plaza.

Experts from the bomb squad are now searching the building, and workers from the Lima Municipality cleaning service are sweeping up the area.

European Parliament Calls for Release of Journalists

PA2204232093 Lima Radio Programas del Peru Network in Spanish 1800 GMT 22 Apr 93

[Text] The European Parliament has urged Peruvian President Alberto Fujimori to free the journalists imprisoned in the past few weeks and to respect freedom of speech in the country.

The plenum of that parliament requested the release of Magno Sosa and the end of the persecution of Enrique Zileri, Gisela Gutarra, Danilo Quijano, and (Cesar Hildebrand) for criticizing the government.

It also requested that the government grant authorization to return to Peru without facing retaliation for those exiles that left the country after the April 1992 developments and the elimination of special tribunals.